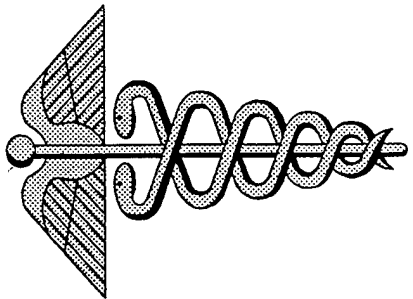
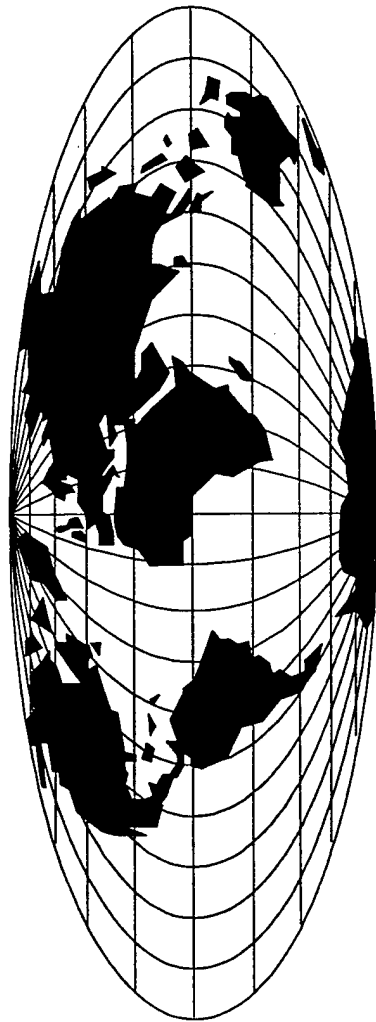
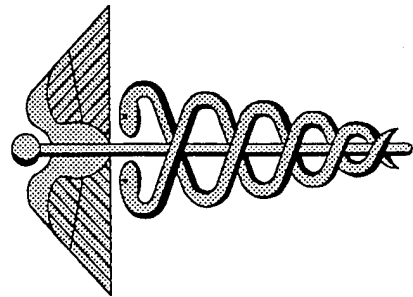


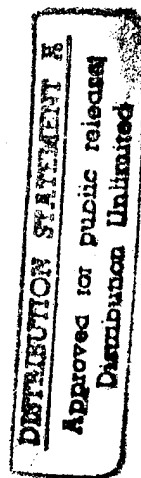
DEFENSE HEALTH PROGRAM



DTIC QUALITY INSPECTED 3

Justification of O&M Estimates

Fiscal Year 1997
Volume 1



The Defense Health Program spans the globe to support the Department of Defense's most important resource--active and retired military members and their families.

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**DEFENSE HEALTH PROGRAM, VOLUME I
JUSTIFICATION OF O&M ESTIMATES
FY 1997 BUDGET ESTIMATES**

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**DEFENSE HEALTH PROGRAM, VOLUME I
JUSTIFICATION OF O&M ESTIMATES
FY 1997 BUDGET ESTIMATES**

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Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Requirements by Program Decision Unit
Budget Activity and Activity Group
(\$000s)

<u>Defense Health Program</u>	<u>FY 1995</u> <u>Actuals</u>	<u>FY 1996</u> <u>Estimate</u>	<u>FY 1997</u> <u>Estimate</u>
Direct Patient Care	3,413,238	3,580,752	3,242,313
Patient Care Support	1,112,887	992,454	943,233
CHAMPUS	3,411,220	3,642,073	3,542,741
Care in Non-Defense Facilities	450,068	455,177	447,561
Education and Training	216,752	200,200	207,231
Base Operations	960,206	910,947	923,209
USUHS	<u>60,791</u>	<u>58,900</u>	<u>52,000</u>
Subtotal	9,625,162	9,840,503	9,358,288
Procurement	<u>330,614</u>	<u>284,680</u>	<u>269,470</u>
Total	9,955,776	10,125,183	9,627,758

00001

**Defense Health Program Appropriation
FY 1997 Budget Estimate
Direct Hire Personnel, Summary**

	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>
Total number of full-time permanent positions (End Strength)	40,812	41,931	40,186
Total compensable workyears:			
Full-time equivalent employment			
U.S. Direct Hires	44,701	43,612	41,757
Foreign Nationals	874	515	517
Total Direct Hires	<u>45,575</u>	<u>44,127</u>	<u>42,274</u>
Disadvantaged Employment	0	0	0
Total Full-time equivalent employment	<u>45,575</u>	<u>44,127</u>	<u>42,274</u>
Full-time equivalent of overtime and holiday hours (Workyears)			
Average ES salary	\$96,545	\$107,000	\$107,333
Average GM salary	0	0	0
Average GS grade			
Average GS salary	\$30,043	\$31,138	\$31,936
Average salary of ungraded positions			

Data reflects direct and reimbursable civilian personnel.

00002

	FY 1995		FY 1996		FY 1997	
	End Strength	Work Years \$(000)	End Strength	Work Years \$(000)	End Strength	Work Years \$(000)
<u>Detail by Major Force Program</u>						
Budget Activity 4	1,659	1,568	\$42,108	1,838	1,791	\$58,130
Foreign National Separation Liability	0	0	\$3,206	0	0	\$220
Total Indirect Hire	1,659	1,568	\$45,314	1,838	1,791	\$58,350
				1,830	1,794	\$59,784
						\$217
				1,830	1,794	\$60,001

00003

Defense Health Program Appropriation
FY 1997 Budget Estimate
Direct Hire Civilian Employment

	FY 1995			FY 1996			FY 1997		
	End Strength	Work Years	\$(000)	End Strength	Work Years	\$(000)	End Strength	Work Years	\$(000)
Direct Hire Civilians									
Full-time Permanent	40,812	40,798	\$1,579,925	41,931	42,308	\$1,685,069	40,186	40,439	\$1,657,405
Other	5,015	4,777	\$184,992	1,563	1,819	\$72,448	1,448	1,835	\$75,208
Total Direct Hire	45,827	45,575	\$1,764,917	43,494	44,127	\$1,757,517	41,634	42,274	\$1,732,613
Disadvantaged Employment	0	0	\$0	0	0	\$0	0	0	\$0
Foreign National Separation Liability	0	0	\$247	0	0	\$346	0	0	\$241
Severance Pay/Unemployment Compensation	0	0	\$8,985	0	0	\$5,423	0	0	\$2,047
Total	45,827	45,575	\$1,774,149	43,494	44,127	\$1,763,286	41,634	42,274	\$1,734,901

00004

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operations and Maintenance**

I. Description of Operations Financed: The Department of Defense (DoD) has two integrated medical missions: (a) to provide, and be ready to provide, medical services and support to the armed forces during military operations, and (b) to provide medical services and support to members of the armed forces, their dependents, and other beneficiaries entitled to DoD health care. The Defense Health Program (DHP) appropriation funding provides support for worldwide medical and dental services to the active forces and other eligible beneficiaries, veterinary services, medical command headquarters, specialized services for the training of medical personnel, and occupational and industrial health care. Included are the costs associated with the Civilian Health and Medical Program of the Uniform Services (CHAMPUS) which provides for the health care of eligible active duty dependents, retired members and their dependents, and the eligible surviving dependents of deceased active duty and retired members. The DHP provides funding for acquisition of capital expense equipment in support of military medical treatment facilities, training facilities, and programs.

The remaining portion of the DHP appropriation funds procurement of capital equipment in support of the DoD health care program in military medical treatment facilities and other health activities worldwide. It includes equipment for initial outfitting of new, expanded or altered health care facilities being constructed under major military construction programs: equipment for modernization and replacement of worn-out, obsolete, or economically repairable items; equipment in support of CHAMPUS and medical treatment facility information processing requirements; and equipment supporting programs such as pollution control, clinical investigation, and occupational/environmental health.

All of these activities are under the direction and control of the Assistant Secretary of Defense (Health Affairs) (ASD(HA)). The ASD(HA), as the DoD officer responsible for the effective execution of the Department's mission works through the Secretaries of the Military Departments to accomplish the Department's medical mission. The Assistant Secretary's responsibilities include developing a unified medical program and budget, and developing policies that will allow the Department to perform its medical mission effectively.

00005

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operations and Maintenance**

II. Force Structure Summary: The Department of Defense accomplishes its world wide mission by using the Defense Health Program (DHP) appropriation to support the eligible beneficiary population through a system of 120 hospitals and 511 clinics (FY 1996), and includes a workforce of 104,485 military and 45,332 civilian personnel. This represents a decrease from FY 1995 which consisted of a system of 122 hospitals and 505 clinics, and a workforce of 106,208 military and 47,486 civilian personnel. The number of hospitals decreases to 116 in FY 1997. The civilian personnel workforce reflects a reduction of 4 percent each year. Within the DHP, the reduction of civilian and military end strength will be offset by decreased requirements from overall downsizing, contractor managed care personnel, and purchasing care under TRICARE support contracts.

Establishing the right size for medical manpower within each of the Services is a critical issue for the DHP. Consistent with Defense Planning Guidance, the DHP has undertaken a joint study, including the Military Departments, Joint Staff, and DPA&E to establish solid requirements for medical military manpower based on readiness and day-to-day operational requirements.

III. Financial Summary (\$ in Thousands):

This submission includes Operation and Maintenance (O&M), and Procurement funds. Consistent with the strategy we adopted for the FY 1997 Budget Estimates, the requirements supported by this budget are the product of the continued refinement and application of the DHP's capitation-based methodology developed in cooperation with the OUSD Comptroller and ODPA&E. Capitation is one of the major components of the Department's managed care strategy. One of the unique aspects of the DHP's capitation model is that it considers all resources (i.e., both Operation and Maintenance funds and Military Personnel funds) used to produce the Department's health care services for eligible beneficiaries. Population estimates were taken from the Resource Analysis Planning System (RAPS) version 8.1

00006

Defense Health Program Appropriation
FY 1997 Budget Estimates
Operations and Maintenance

The **total** DHP cost per capita, O&M cost per capita, and military personnel cost per capita reflected in this budget, based on projected user beneficiaries, are as follows:

	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>% Change</u> <u>FY 1996/1997</u>
O & M	\$1,475	\$1,536	\$1,474	
MILPERS ^{1/}	\$791	\$791	\$814	
Total	\$2,266	\$2,327	\$2,288	-1.7%
Expressed in Constant FY 94 \$	\$2,186	\$2,182	\$2,071	-5.1%

^{1/} Military personnel costs and end strength are included in the Military Departments and are not part of DHP appropriation.

The provision of health care in the DHP depends upon both O&M funds and military labor. A per capita decline in either resource component (i.e. O&M and MILPERS), if not offset by an increase in the other component, reduces the DHP's ability to provide a consistent level of health care services to eligible DOD beneficiaries. **The above constant dollar per capita trend reflects a decline in available resources per user beneficiary.**

The financial requirements set forth in this budget considers the effects of force structure downsizing, and Base Realignment and Closure (BRAC) plans. Other than major mission changes, there are three main factors that influence DHP funding requirements: (1) general inflation, (2) health services prices, or medical specific inflation, and (3) population composition and changes. Developing a valid, executable budget in the current environment of fiscal retrenchment presents the DHP with a challenging task. Between FY 1996 and FY 1997, the DHP is experiencing a five percent real decline in per capita purchasing power.

The Real Property Maintenance investment approach is based on a sound business plan that takes into consideration Joint Commission on Accreditation of Healthcare Organizations (JCAHO) standards and the significant decline in Medical Military Construction funding over the past few years. This decline in Medical Military Construction funding requires the DHP to expend more O&M funds to maintain an aging physical plant to levels mandated by the JCAHO. Our budgeted level of 2.4% is considerably less than civilian medical standards of 5% or more.

Defense Health Program Appropriation
FY 1997 Budget Estimates
Operations and Maintenance

A. Defense Health Program

	FY 1995 <u>Actual</u>	FY 1996 <u>Request</u>	FY 1996 <u>Appropriated</u>	FY 1996 <u>Estimate</u>	FY 1997 <u>Estimate</u>
Direct Patient Care	3,413,238	3,454,685	3,452,996	3,580,752	3,242,313
Patient Care Support	1,112,887	943,792	960,462	992,454	943,233
CHAMPUS	3,411,220	3,840,100	3,839,703	3,642,073	3,542,741
Care in Non-Defense Facilities	450,068	496,997	496,997	455,177	447,561
Education and Training	216,752	172,246	172,246	200,200	207,231
Base Operations	960,206	914,005	914,005	910,947	923,209
USUHS	<u>60,791</u>	<u>43,700</u>	<u>50,552</u>	<u>58,900</u>	<u>52,000</u>
Total	9,625,162	9,865,525	9,886,961	9,840,503	9,358,288

B. Reconciliation Summary:

	Change FY 1996/1996	Change FY 1996/1997
Baseline Funding	9,865,525	9,840,503
Congressional Adjustments	21,436	0
Reprogrammings/Transfers	-46,458	0
Functional Transfers	0	63,595
Price Changes	0	391,408
Foreign Currency	0	5,300
Program Changes	0	-942,518
Current Estimate	9,840,503	9,358,288

C. OP-32 Line Item: Not provided at the appropriation level because the DHP appropriation includes Procurement funds in addition to O&M funds. See Exhibit OP-32.

D. Reconciliation: Increases and Decreases: See Exhibit OP-5 Part 2.

Defense Health Program Appropriation
FY 1997 Budget Estimates
Operations and Maintenance

IV. Performance Criteria and Evaluation: Not provided at the appropriation level - see Exhibit OP-5 Part 2.

Personnel Summary 1/

	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1995/FY 1996</u>	<u>FY 1996/FY 1997</u>
<u>Active Military End Strength</u>					
Officer	36,893	36,166	35,888	-727	-278
Enlisted	69,315	68,319	67,894	-996	-425
Total Military	106,208	104,485	103,782	-1,723	-703
<u>Civilian End Strength</u>					
US Direct Hire	44,817	42,976	41,116	-1,841	-1,860
Foreign National Direct Hire	1,010	518	518	-492	0
Total Direct Hire	45,827	43,494	41,634	-2,333	-1,860
Foreign National Indirect Hire	1,659	1,838	1,830	179	-8
Total Civilians	47,486	45,332	43,464	-2,154	-1,868
<u>Active Military Work Years</u>					
Officer	36,471	36,530	36,027	59	-503
Enlisted	69,808	68,817	68,107	-991	-710
Total Military	106,279	105,347	104,134	-932	-1,213
<u>Civilian Work Years</u>					
US Direct Hire	44,701	43,612	41,757	-1,089	-1,855
Foreign National Direct Hire	874	515	517	-359	2
Total Direct Hire	45,575	44,127	42,274	-1,448	-1,853
Foreign National Indirect Hire	1,568	1,791	1,794	223	3
Total Civilians	47,143	45,918	44,068	-1,225	-1,850

1/ Included to show a unified medical program. Military and civilian end strength included in DoD Components, not the Defense Health Program.

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases

(Dollars in Thousands)

1. FY 1996 President's Budget	9,865,525
2. Congressional Adjustments:	21,463
a. Civilian Underexecution	(1,800)
b. Revised Economic Assumptions	(49,564)
c. Foreign Currency	6,900
d. Pacific Island Referral	2,500
e. BAMC Computers	1,500
f. PACMEDNET	11,000
g. Breast Cancer	25,000
h. Red Cross	14,500
i. Persian Gulf Syndrome	3,400
j. Brown Tree Snakes	1,000
k. Nursing Research	5,000
l. Graduate Nursing	2,000
3. FY 1996 Appropriated Amount:	9,886,961
4. Reprogrammings/Transfers:	(46,458)
a. Increases:	
1. Contingency Operations	2,900
2. Bosnia Operations	16,500
3. Operation Project Sapphire, Kazakhstan	225

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Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance

Reconciliation of Increases and Decreases

(Dollars in Thousands)

b. Decreases:	
1. Inflation Offset for Contingencies	(66,083)
5. FY 1996 Current Estimate:	9,840,503
6. Price Growth (FY 1997):	391,408
7. Functional Transfers:	63,595
a. Transfers In	
1. Transfer of an Alcohol Drug Abuse Prevention and Control Program (ADAPCP) counselor at Japan MEDDAC to the DHP from U. S. Army (USARPAC).	56
2. Transfer of two civilians to support the Theater Army Medical Management Information System (TAMMIS) program transition to the DHP from Program Executive Officer, Standard Army Management Information Systems (PEO STAMIS).	5,012
3. Transfer to support the transition of the TAMMIS Program to the DHP from Army Information Systems Command.	84
4. Transfer of Funds from Operation and Maintenance, Army to DHP. This represents the value of Service accounts to DHP for payment to DFAS for finance and accounting services.	74,994
5. Baseline transfer to the DHP from Operation and Maintenance, Army. In the future, the DHP	6

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases

(Dollars in Thousands)

will pay for postal services in Korea.

b. Transfers Out

1. Transfers, corrects, and completes realignment of BASOPS resources started in FY 92 PBD 742. This corrects original PBD transfer to reflect actual support costs that will be reimbursable to the host installation.

(16,557)

8. Program Increases:

1,397,987

- a. MEPCOM. Increased exams due to growth in accessions.

1,671

- b. Premium increase for the government share of the Family Member Dental Program contract.

29,820

- c. Pipeline Cost for Regions 7/8 Managed Care Support contract and partial pipeline requirements are included for MCS regional contracts 1 and 2/5. The service start date for these regions is now August 1997, deferring \$187 million of pipeline costs to FY98.

195,500

- d. MCS Contracts - Benefits Costs. Funds the benefit costs associated with on-going and new Managed Care Support contracts in FY96. This increase to the MCS contracts is offset by a decrease to the standard CHAMPUS Benefits Program.

1,170,316

- e. Base Communication reflects increased communications costs based on beneficial occupancies of new facilities and increased information technology communications requirements.

680

9. Program Decreases:

(2,335,205)

Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance

Reconciliation of Increases and Decreases

(Dollars in Thousands)

a. One-time Congressional increases not included in FY97. Discontinuation of one-time FY96 Congressional increases.	
1. Pacific Island Referral	(2,581)
2. BAMC Computers	(1,548)
3. PACMEDNET	(11,354)
4. Breast Cancer	(25,805)
5. Red Cross	(14,993)
6. Persian Gulf Syndrome	(3,516)
7. Brown Tree Snakes	(1,034)
8. Graduate Nursing	(2,050)
9. Nursing Research	(5,125)
b. One-time FY96 increase for Bosnia Operations not included in FY97.	(14,425)
c. One-time FY96 increase for Operation Project Sapphire, Kazakhstan not included in FY97.	(232)
d. Phased discontinuation of the Fort Bragg Mental Health Demonstration. Based on a September 1994 evaluation of the project's effectiveness.	(3,500)
e. Uniform HMO Option A Benefit. Savings will accrue in CONUS Medical Centers and Hospitals as we continue to phase in implementation of the Uniform HMO Option A Benefit.	(17,000)
f. BRAC decrement from estimated savings related to the closure of the Navy medical facility Oakland and the Air Force facility at March Air Force Base during the FY96 to FY97 period.	(14,432)
g. Collateral Equipment for Naval Medical Center, Portsmouth, VA. Reduces equipment purchases for one-time	(37,571)

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

Reconciliation of Increases and Decreases

(Dollars in Thousands)

FY96 initial outfitting costs for the Acute Care Facility.

h. Population Impact. Reflects the reduced level of effort associated with the decline in world wide user population of approximately one percent from FY 96 to FY97. (37,724)

i. Utilization Management. The reduction implements the MHSS utilization management strategy designed to control the use of health care services while maintaining access to appropriate high quality health care provided by the MHSS. Savings represents about 9% of the O&M dollars expended for Direct Patient Care. However, when the total cost of providing direct patient care (O&M and Military Personnel) is considered, it is about 5%. (287,480)

j. Defense Medical Program Activity. Reflects the reduced level of effort following the accelerated deployment of CHCS in FY96. (38,489)

k. Other Health Activities, Military Public/Occupational Health, Veterinary Services, Military Unique Other Health Medical Activities and Aeromedical Evaluation. Reflects the reduced level of effort associated with decreases in the population supported due to force structure downsizing of the supported population. (13,409)

l. Military Public/Occupational Health. Completion of bio-environmental engineering local area network and discontinuation of chromate hazard survey and ergonomics workplace related injury survey and abatement. (11,912)

m. Transfer of Army medical recruiting from the DHP to U.S. Army Recruiting Command (USAREC) as directed by PDM I, dated August 18, 1995. (3,306)

n. Transfer of program responsibility for legal services to Defense Legal Services Agency. (600)

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**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

<u>Reconciliation of Increases and Decreases</u>	(Dollars in Thousands)
o. Reduction of 3,500 flying hours due to reassessment of peacetime and wartime mission of C-9A aircraft.	(2,200)
p. Managed Care Support Contract Implementation.	
1. The standard CHAMPUS Benefits Program requirements decrease as the MCS contracts are awarded and implemented. Fiscal intermediary claims processing costs will also decrease as the MCS contracts absorb this management responsibility.	(1,314,975)
2. This reduction reflects the phased transfer of three oversight contracts from OCHAMPUS sub-activity group to the CHAMPUS program and MCS as managed care is implemented for DoD.	(21,059)
q. Reduction of eleven civilian workyears for civilian personnel for Managed Care Support Contracts.	(621)
r. OCHAMPUS Handbook and Policy Manuals.	(631)
s. Managed Care Support related travel requirements.	(470)
t. Reduced facility maintenance as a result of OCHAMPUS relocation.	(160)
u. Reduction of pipeline costs for MCS contracts for Regions 6 and 3/4.	(265,251)
v. Reduction for decline in active duty population eligible for emergency medical care and implementation of initiatives to reduce costs by improving program management.	(30,921)
w. One-time FY 96 MCS contracts costs for three MCS contracts and approximately \$22.1 million to phase-out	(78,975)

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

<u>Reconciliation of Increases and Decreases</u>	(Dollars in Thousands)
the existing health care services contracts for Regions 9, 10, and 12 in FY 96.	
x. Decrease in specialized skill training which is associated with a reduction in certified military health care professional end strength over the same period.	(2,371)
y. Reduced civilian workyears for USUHS.	(1,194)
z. Reflects anticipated personnel and infrastructure savings as a result of the closure of Naval Hospital, Oakland. Includes Environmental Compliance, Maintenance & Repair, Base Communications, Base Operations, Real Property Services.	(10,255)
aa. Environmental Compliance. One-time offset for incinerator upgrades during FY 96.	(5,302)
ab. Reduction in Visual Information Systems based on anticipated requirements for FY97.	(78)
ac. Real Property Maintenance and Minor Construction reduction realigning our investment goals from a level of 3.0 percent of our plant replacement value to 2.4 percent.	(35,493)
ad. Reflects reduced requirements resulting from Host Nation adjustments and the reduced level of effort associated with decreases in population supported and related facility infrastructure due to downsizing.	(17,163)
10. FY 1997 President's Budget:	9,358,288

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1996</u> <u>Program</u>
LINE Defense Health Program						
308 Travel of Persons	153966	443	0.91	1409	16112	171930
401 DFSC Fuel	20286	0	5.60	1136	4327	25749
402 Service Fund Fuel	869	0	5.64	49	772	1690
411 Army Sup & Mat	28288	1	5.30	1499	-6710	23078
412 Navy Sup & Mat	16343	0	-22.50	-3677	-321	12345
414 AF Sup & Mat	745	0	-16.38	-122	270	893
415 DLA Sup & Mat	75246	25	0.60	452	-6652	69071
416 GSA Sup & Mat	17696	0	2.00	354	-7041	11009
417 Local Proc Sup & Mat	910764	400	2.00	18224	-78150	851238
499 Total Sup & Mat	1070237	426		17915	-93505	995073
502 Army Fund Equipt	3891	0	5.29	206	-2234	1863
503 Navy Fund Equipt	1911	0	-22.50	-430	299	1780
505 AF Fund Equipt	62695	3	-16.50	-10346	-10488	41864
506 DLA Fund Equipt	2632	0	0.61	16	1282	3930
507 GSA Fund Equipt	7692	1	2.00	154	3587	11434
599 Total Fund Equipt	78821	4		-10400	-7554	60871
602 Army Depot Cmd Maint	233	0	-23.18	-54	-39	140
611 Naval Surface War Ctr	0	0	0.00	0	0	0
615 Data Automat Ctr Navy	248	0	0.00	0	6	254
620 Fleet Aux Ships Navy	0	0	0.00	0	0	0
624 Other MSC Purchases	0	0	0.00	0	0	0
630 Naval Rsch Lab	0	0	0.00	0	0	0
631 Naval Civil Engr Ctr	96	0	3.13	3	-1	98
633 Naval Pub & Print Svc	12888	0	-6.80	-877	4421	16432

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1996</u> <u>Program</u>
634 Nav Pub Wrk Ctr: Utilities	48824	0	-7.20	-3515	-25788	19521
635 Nav Pub Wrk Ctr: Pub Wrks	79181	0	1.00	792	7167	87140
637 Naval Shipyards	845	0	0.00	0	144	989
651 Airlift Svcs Trng & Ops	16606	0	2.00	332	605	17543
652 Airlift Svcs Med Evac	0	0	0.00	0	0	0
663 Laundry & Dry Clean	1235	0	0.00	0	331	1566
671 Communications Svc	6880	0	-5.70	-392	-857	5631
673 Def Finance & Acct Svc	32510	0	-19.80	-6437	-12071	14002
679 Cost Reimbursible Svc	25	0	4.00	1	0	26
699 Total Purchases	199571	0		-10147	-26082	163342
701 MAC Cargo	0	0	0.00	0	0	0
702 MAC SAAM	81	0	14.81	12	-93	0
703 JCS Exercises	0	0	0.00	0	0	0
711 MSC Cargo	3	0	33.33	1	9	13
721 MTMC Port Handling	0	0	0.00	0	0	0
725 MTMC Other	0	0	0.00	0	0	0
771 Commercial Transportation	4620	93	1.99	94	1213	6020
761 Other Transportation	1561	12	1.97	31	-316	1288
799 Total Transportation	6265	105		138	813	7321
9XX Civ Pay Reimburs Host	1764917	447	2.00	35307	-43152	1757519
901 Foreign Nat Ind Hire	42108	1557	2.00	873	13592	58130
902 Separation Liability	4842	0	1.98	96	6984	11922
912 Rental Pay to GSA	7712	44	2.00	155	463	8374
913 Purchased Utilities	57211	7	2.00	1144	22685	81047
914 Purchased Communica	34680	2	2.00	694	4506	39882

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1996</u> <u>Program</u>
915 Rents non GSA	20559	109	2.00	414	894	21976
916 Disability Comp	5183	0	1.99	103	159	5445
917 Postal Svcs	3457	0	2.52	87	-999	2545
920 Supplies & Mat	348302	385	4.01	13966	-24816	337837
921 Printing & Reproduct	6221	100	1.99	126	1886	8333
922 Equipt Maint Contract	86713	212	2.00	1738	17671	106334
923 Facility Maint Contract	172703	35	2.00	3456	-25787	150407
925 Equipt Purchases	212336	37	3.99	8481	-47915	172939
926 Overseas Purchases	3462	0	1.99	69	201	3732
930 Other Depot Maint	30933	0	2.00	619	3577	35129
931 Contract Consultants	0	0	0.00	0	0	0
932 Mgmt & Prof Spt Svc	1078	0	2.04	22	726	1826
933 Studies Analysis Eval	12893	0	2.00	258	7427	20578
934 Engineering Tech Svc	0	0	0.00	0	0	0
937 Fuel	845	0	2.01	17	-145	717
985 DoD Counter Drug	880	0	2.05	18	-898	0
987 Other Intra-Govt	11435	0	2.00	229	-843	10821
988 Grants	12334	0	2.00	247	-8870	3711
989 Other Contracts	4902822	2984	4.36	213853	100100	5219759
998 Other Costs*	372676	3	4.00	14904	-4580	383003
999 Total Purchases	8116302	5922		296876	22866	8441966
9999 TOTAL	9625162	6900	3.07	295791	-87350	9840503

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
308 Travel of Persons	171930	407	1.00	1728	-5729	168336
401 DFSC Fuel	25749	0	1.30	334	-41	26042
402 Service Fund Fuel	1690	0	1.30	22	-107	1605
411 Army Sup & Mat	23078	0	-6.01	-1386	2367	24059
412 Navy Sup & Mat	12345	0	8.59	1061	805	14211
414 AF Sup & Mat	893	0	-1.12	-10	57	940
415 DLA Sup & Mat	69071	20	-2.10	-1451	9491	77131
416 GSA Sup & Mat	11009	0	2.20	242	604	11855
417 Local Proc Sup & Mat	851238	375	2.20	18735	-215183	655165
499 Total Sup & Mat	995073	395		17547	-202007	811008
502 Army Fund Equipt	1863	0	-6.01	-112	190	1941
503 Navy Fund Equipt	1780	3	8.58	153	-725	1211
505 AF Fund Equipt	41864	0	-1.20	-503	1091	42452
506 DLA Fund Equipt	3930	0	-2.09	-82	-424	3424
507 GSA Fund Equipt	11434	1	2.20	252	-760	10927
599 Total Fund Equipt	60871	4		-292	-628	59955
602 Army Depot Cmd Maint	140	0	7.14	10	4	154
611 Naval Surface War Ctr	0	0		0	0	0
615 Data Automat Ctr Navy	254	0	-9.06	-23	20	251
620 Fleet Aux Ships Navy	0	0	0.00	0	0	0
624 Other MSC Purchases	0	0	0.00	0	0	0
630 Naval Rsch Lab	0	0	0.00	0	0	0
631 Naval Civil Engrn Ctr	98	0	-13.27	-13	17	102
633 Naval Pub & Prnt Svc	16432	0	9.40	1545	144	18121

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
634 Nav Pub Wrk Ctr: Utilities	19521	0	-0.26	-51	-1105	18365
635 Nav Pub Wrk Ctr: Pub Wrks	87140	0	3.49	3042	9041	99223
637 Naval Shipyards	989	0	14.46	143	-95	1037
651 Airlift Svcs Trng & Ops	17543	0	2.20	386	140	18069
652 Airlift Svcs Med Evac	0	0	0.00	0	0	0
663 Laundry & Dry Clean	1566	0	0.00	0	-105	1461
671 Communications Svc	5631	0	-6.29	-354	523	5800
673 Def Finance & Acct Svc	14002	0	11.37	1592	-696	14898
679 Cost Reimbursible Svc	26	0	3.85	1	0	27
699 Total Purchases	163342	0		6278	7888	177508
701 MAC Cargo	0	0	3.00	0	0	0
702 MAC SAAM	0	0	-0.50	0	0	0
703 JCS Exercises	0	0	-0.50	0	0	0
711 MSC Cargo	13	0	7.69	1	1	15
721 MTMC Port Handling	0	0	-6.80	0	0	0
725 MTMC Other	0	0	7.80	0	0	0
771 Commercial Transportation	6020	87	2.19	134	-163	6078
761 Other Transportation	1288	9	2.16	28	-258	1067
799 Total Transportation	7321	96		163	-420	7160
9XX Civ Pay Reimburs Host	1757519	380	2.75	48343	-73630	1732612
901 Foreign Nat Ind Hire	58130	1235	2.75	1633	-1214	59784
902 Separation Liability	11922	0	2.74	327	1058	13307
912 Rental Pay to GSA	8374	35	2.21	186	67	8662
913 Purchased Utilities	81047	6	2.20	1785	1401	84239
914 Purchased Communica	39882	1	2.20	878	-774	39987

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Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
915 Rents non GSA	21976	99	2.20	486	-822	21739
916 Disability Comp	5445	0	2.20	120	-41	5524
917 Postal Svcs	2545	0	0.00	0	-95	2450
920 Supplies & Mat	337837	371	4.83	16347	-19061	335494
921 Printing & Reproduct	8333	95	2.20	185	-876	7737
922 Equipt Maint Contract	106334	201	2.20	2344	429	109308
923 Facility Maint Contract	150407	35	2.20	3309	-61052	92699
925 Equipt Purchases	172939	31	4.75	8221	-49950	131241
926 Overseas Purchases	3732	0	2.17	81	-47	3766
930 Other Depot Maint	35129	0	2.20	773	281	36183
931 Contract Consultants	0	0	0.00	0	0	0
932 Mgmt & Prof Spt Svc	1826	0	2.19	40	-15	1851
933 Studies Analysis Eval	20578	0	2.20	453	164	21195
934 Engineering Tech Svc	0	0	0.00	0	0	0
937 Fuel	717	0	2.23	16	-3	730
985 DoD Counter Drug	0	0	0.00	0	0	0
987 Other Intra-Govt	10821	0	2.20	238	85	11144
988 Grants	3711	0	2.21	82	-62	3731
989 Other Contracts	5219759	1907	5.02	262124	-472005	5011785
998 Other Costs*	383003	2	4.70	18013	-1865	399153
999 Total Purchases	8441966	4398		365984	-678027	8134321
9999 TOTAL	9840503	5300	3.98	391408	-878923	9358288

Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance

Detail By Sub-Activity Group: Direct Patient Care

I. Description of Operations Financed: This Sub-Activity Group provides for the delivery of patient care worldwide. This includes two broad functional areas: (1) Care in Defense Medical Centers, Station Hospitals and Medical Clinics, and (2) Dental Care Activities, in the Continental United States (CONUS) and Outside the Continental United States (OCONUS) respectively.

II. Force Structure Summary: **Defense Medical Centers/Hospitals/Clinics** represent the costs of providing medical care in DoD-owned and operated medical centers, station hospitals, medical clinics, subordinate aid stations, and PRIMUS/NAV CARE clinics which are staffed and equipped to provide the full range of inpatient and ambulatory health care services. Includes medical center laboratories, alcohol treatment, clinical investigation activities and on-the-job training/education programs conducted at these facilities, federal sharing agreements, supplemental and cooperative care costs specifically identified to health care services received in a **non-defense** facility as a result of a referral or prearranged agreement. Excludes operation of management headquarters for TRICARE Lead Agents, dental activities, deployable medical units and other health care resources devoted exclusively to teaching. **Dental Care Activities** represent the costs of providing dental services through operation of hospital departments of dentistry, installation dental clinics, and Regional Dental Activities (laboratories). Excludes provision of dental services by units organic to Operating Forces units and deployable dental units operating in an active combat zone.

III. Financial Summary (O&M \$ in thousands):

A. Sub-Activity Group

	FY 1995 <u>Actuals</u>	FY 1996		FY 1997 <u>Estimate</u>
		Budget <u>Request</u>	Appropriation	
MEDCENS / Hospitals / Clinics (CONUS)	\$2,988,546	\$3,035,259	3,026,670	\$2,771,958
MEDCENS / Hospitals / Clinics (OCONUS)	265,572	232,605	238,125	271,479
Dental Care Activities (CONUS)	126,533	134,787	134,787	140,927
Dental Care Activities (OCONUS)	32,587	52,034	53,414	57,949
Total	\$3,413,238	\$3,454,685	\$3,452,996	\$3,242,313

**Defense Health Program Appropriation
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III. Financial Summary (O&M--\$ in thousands--Continued):

B. Reconciliation Summary

	Change FY 1996/1996	Change FY 1996/1997
Baseline Funding	\$3,454,685	\$3,580,752
Congressional Adjustments	-1,689	0
Price Change	0	+115,213
Reprogrammings/Transfers	-4,578	0
Functional Transfers	0	0
Transfers In/Out	-7,788	0
Program Changes	+140,122	-453,652
Current Estimate	\$3,580,752	\$3,242,313

C. OP-32 Line Item: See Exhibit OP-32

D. Reconciliation of Increases and Decreases:

1. FY 1996 President's Budget Request		\$3,454,685
2. Congressional adjustments (FY 1996 President's Budget/FY 1996 Appropriated)		-1,689
Civilian Underexecution	-1,800	
Revised Economic Assumptions	-46,789	
Foreign Currency	+6,900	
Pacific Island Referral	+2,500	
BAMC Computers	+1,500	
PACMEDNET	+11,000	
Breast Cancer	+25,000	

**Defense Health Program Appropriation
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D. Reconciliation of Increases and Decreases (Continued):

3. FY 1996 Appropriated				\$3,452,996
4. Reprogrammings/Transfers				
Increases:				
Contingency Operations		+2,900		
Bosnia Operations		+16,500		
Operation Project Sapphire, Kazakhstan		+225		
Decreases:				
Inflation Offset for Contingencies		-24,203		
Total Reprogrammings/Transfers				-4,578
5. Transfers In/Transfers Out				
Transfers within the DHP O&M due to restructuring of Program Elements.				
Transferred into Direct Patient Care from:				
PRIMUS/NAVCARE and Supplemental Care, Care in Non-Defense		+38,763		
Occupational Health, Patient Care Support		+36,218		
Transferred out of Direct Patient Care to:				
Other Health Activities, Patient Care Support		-53,471		
Education and Training		-29,298		
Total Transfers In/Transfers Out				-7,788

**Defense Health Program Appropriation
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D. Reconciliation of Increases and Decreases (Continued):

6. Program Increases

- a. Overseas Dental Program +5,044

The increase in Dental Care Activities represents revised annualized costs of expanding the Congressionally mandated overseas dental program which assures access to dental care for family members of active duty personnel stationed in areas where the contract family dental plan is not available.

- b. Collateral Equipment for Naval Medical Center, Portsmouth, VA +36,400

The increase funds the O&M portion of the collateral equipment outfitting of the Acute Care Facility, Naval Medical Center, Portsmouth, VA.

- c. Revised population estimates +98,678

The revised population estimates show a 2.9% increase in user population over previous estimates for FY96. The revised population estimates are based on the most recent user survey results and incorporate refined population estimating methodologies.

Total Program Increases

+140,122

7. FY 1996 Current Estimate

\$3,580,752

**Defense Health Program Appropriation
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D. Reconciliation of Increases and Decreases (Continued):

8. Price Growth +115,213

9. Program Increases 0

10. Program Decreases

a. One-time FY96 Congressional increases not included in FY97.

Discontinuation of one-time FY96 Congressional increases. -41,288

Pacific Island Referral -2,581
BAMC Computers -1,548
PACMEDNET -11,354
Breast Cancer -25,805

b. FY96 Bosnia Operations.

One-time FY96 increase for Bosnia Operations not included in FY97. -14,425

c. FY96 Operation Project Sapphire, Kazakhstan

One-time FY96 increase for Operation Project Sapphire, Kazakhstan not included in FY97. -232

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D. Reconciliation of Increases and Decreases (Continued):

d. Phased discontinuation of the Fort Bragg Mental Health Demonstration. -3,500

The decision to discontinue the Fort Bragg Mental Health Demonstration was based on a September 1994 evaluation of the project's effectiveness. The evaluation found that while the demonstration improved access to mental health services, demonstration participants showed no greater improvement to their mental health than participants at the comparison site. Further, the cost per client was over 150 percent more expensive than at the comparison site.

e. Uniform HMO Option A Benefit -17,000

Savings will accrue in CONUS Medical Centers and Hospitals as we continue to phase in implementation of the Uniform HMO Option A benefit.

f. BRAC Decrement -14,432

The Base Realignment and Closure (BRAC) decrease stems from estimated savings related to the closure of the Navy medical facility at Oakland and the Air Force facility at March Air Force Base during the FY96 to FY97 period.

g. Collateral Equipment for Naval Medical Center, Portsmouth, VA. -37,571

Reduces equipment purchases for one-time FY96 initial outfitting costs for the Acute Care Facility, Naval Medical Center, Portsmouth, VA.

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D. Reconciliation of Increases and Decreases (Continued):

h. Population Impact

-37,724

This program decrease reflects the reduced level of effort associated with the decline in world wide user population of approximately one percent from FY96 to FY97.

i. Utilization Management

-287,480

The reduction implements the MHSS utilization management strategy designed to control the use of health care services while maintaining access to appropriate high quality health care provided by the MHSS. Savings represent about 9% of the O&M dollars expended for Direct Patient Care. However, when the total cost of providing direct patient care (O&M and Military Personnel) is considered, it is about 5%. These savings will be achieved through accelerated implementation of aggressive utilization management techniques to control use of health care services while maintaining access to appropriate high quality care.

-453,652

Total Program Decreases

\$3,242,313

13. FY 1997 Budget Request

00029

**Defense Health Program Appropriation
FY 1997 Budget Estimates
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IV. Performance Criteria and Evaluation Summary:

	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY96-97</u>
<u>Direct Medical Care Program</u>				
Hospitals/Medical Centers	122	120	116	-4
Medical Clinics	505	511	513	+2
Dispositions	625,113	599,643	527,377	-72,266
Average Length of Stay	3.5	3.5	3.5	0
Occupied Bed Days	2,171,919	2,148,659	1,887,882	-260,777
Inpatient Work Units	647,656	620,892	544,289	-76,603
Ambulatory Work Units	1,053,212	1,005,408	882,426	-122,982
Medical Work Units	1,700,868	1,626,300	1,426,715	-199,585
Ambulatory Visits	40,801,798	39,088,379	34,278,240	-4,810,139
<u>User Population (Average Full Time Equivalents)</u>				
Active Duty Personnel (1)	1,705,177	1,640,932	1,610,788	-30,144
Dependents of Active Duty Personnel (2)	2,331,902	2,246,268	2,205,784	-40,484
CHAMPUS Eligible Retirees	783,771	781,603	779,227	-2,376
CHAMPUS Eligible Dependents of Retirees	1,328,875	1,344,130	1,340,175	-3,955
Medicare Eligible Beneficiaries	<u>377,051</u>	<u>395,153</u>	<u>412,176</u>	<u>+17,023</u>
Total Population	6,526,776	6,408,086	6,348,150	-59,936

(1) Includes Active Guard/Reserve entitled to medical benefit.

(2) Includes Dependents of Active Guard/Reserve entitled to medical benefit.

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IV. Performance Criteria and Evaluation Summary: Direct Patient Care (continued)

The workload data displayed on the previous page reflects traditional performance criteria used for the direct care system of medical treatment facilities. A more comprehensive performance measure for the Defense Health Program (DHP) is the cost of health care services per user beneficiary. This per capita measure has the advantage of integrating multiple workload factors and the cost of all resources into a single measure.

The total DHP cost per capita, O&M cost per capita, and military personnel cost per capita reflected in this budget, based on projected beneficiary man-years, are as follows:

	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	Change <u>FY 1995-96</u>	Change <u>FY 1996-97</u>
O & M	\$1,475	\$1,536	\$1,474	+\$61 (+4.1%)	-\$62 (-4.0%)
MILPERS ^{1/}	\$791	\$791	\$814	+\$0 (+0%)	+\$23 (+2.9%)

Total					
Then Year \$\$	\$2,266	\$2,327	\$2,288	+\$61 (+2.7%)	-\$39 (-1.7%)
FY94 Constant \$\$	\$2,186	\$2,182	\$2,071	-\$4 (-0.2%)	-\$111 (-5.1%)

^{1/} Military personnel costs and end strength are included in the budget submissions of the three Military Departments and are not part of DHP appropriation.

The DHP's ability to provide high quality, cost effective health care services to eligible beneficiaries requires the availability of two major resource components: O&M funds and military personnel labor. Per capita declines in either resource component must be offset with an increase in the other component to ensure a consistent level of health care services to eligible DoD beneficiaries. The DHP budget only addresses O&M funds and military personnel labor is included the budgets of the three Military Departments. However, the DHP capitation financing model includes both O&M funds and military personnel labor because that is the most rational way to evaluate the ability of the DHP to meet its mission requirements. DHP per capita funding changes in FY 1996 and FY 1997 are less than normal inflation and will require increased economies and efficiencies combined with aggressive management actions to maintain a consistent level of high quality, cost effective health care services to eligible DoD beneficiaries.

**Defense Health Program Appropriation
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V. Personnel Summary 1/

	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY95/FY96</u>	<u>Change FY96/FY97</u>
<u>Active Military End Strength 1/</u>					
Officer	25,143	25,063	24,690	-80	-373
Enlisted	<u>53,801</u>	<u>51,509</u>	<u>51,041</u>	<u>-2,292</u>	<u>-468</u>
Total Military	78,944	76,572	75,731	-2,372	-841
<u>Civilian End Strength 1/</u>					
U.S. Direct Hire	32,464	31,430	29,967	-1,034	-1,463
Foreign National Direct Hire	<u>812</u>	<u>375</u>	<u>376</u>	<u>-437</u>	<u>+1</u>
Total Direct Hire	33,276	31,805	30,343	-1,471	-1,462
Foreign National Indirect Hire	<u>1,144</u>	<u>1,330</u>	<u>1,324</u>	<u>+186</u>	<u>-6</u>
Total Civilians	34,420	33,135	31,667	-1,285	-1,468
<u>Active Military Workyears</u>					
Officer	24,971	25,103	24,877	132	-226
Enlisted	<u>52,936</u>	<u>52,655</u>	<u>51,275</u>	<u>-281</u>	<u>-1,380</u>
Total Military Workyears	77,907	77,758	76,152	-149	-1,606
<u>Civilian Workyears</u>					
U.S. Direct Hire	35,592	31,891	30,516	-1,237	-1,375
Foreign National Direct Hire	<u>685</u>	<u>372</u>	<u>375</u>	<u>-14</u>	<u>+3</u>
Total Direct Hire	36,277	32,263	30,891	-1,251	-1,372
Foreign National Indirect Hire	<u>1,071</u>	<u>1,293</u>	<u>1,295</u>	<u>+130</u>	<u>+2</u>
Total Civilian Workyears	37,348	33,556	32,186	-1,121	-1,370

1/ Included to show a unified medical program. Active military personnel funding and all end strengths, military and civilian, are retained by the individual Military Departments for purposes of budget formulation and execution in accordance with the DEPSECDEF memorandum, "Strengthening the Medical Functions of the Department of Defense," dated October 1, 1991.

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Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1996</u> <u>Program</u>
LINE Direct Patient Care						
308 Travel of Persons	53020	171	2.00	421	12298	65910
401 DFSC Fuel	218	0	5.60	12	227	457
402 Service Fund Fuel	108	0	5.60	6	64	178
411 Army Sup & Mat	15184	1	5.30	805	-15	15975
412 Navy Sup & Mat	5890	0	-22.50	-1325	-431	4134
414 AF Sup & Mat	196	0	-16.50	-32	88	252
415 DLA Sup & Mat	65435	25	0.60	393	-4524	61329
416 GSA Sup & Mat	10452	0	2.00	209	-1233	9428
417 Local Proc Sup & Mat	843139	400	2.00	16871	-76455	783955
499 Total Sup & Mat	940622	426		16939	-82279	875708
502 Army Fund Equipt	1139	0	5.30	60	-526	673
503 Navy Fund Equipt	888	0	-22.50	-200	652	1340
505 AF Fund Equipt	55998	3	-16.50	-9240	-8543	38218
506 DLA Fund Equipt	1837	0	0.60	11	1360	3208
507 GSA Fund Equipt	4904	1	2.00	98	2124	7127
599 Total Fund Equipt	64766	4		-9271	-4933	50566
602 Army Depot Cmd Maint	0	0	-23.10	0	0	0
611 Naval Surface War Ctr	0	0	3.50	0	0	0
615 Data Automat Ctr Navy	185	0	0.10	0	-10	175
620 Fleet Aux Ships Navy	0	0	2.00	0	0	0
624 Other MSC Purchases	0	0	2.00	0	0	0
630 Naval Rsch Lab	0	0	1.60	0	0	0
631 Naval Civil Engrn Ctr	37	0	3.90	1	1	39
633 Naval Pub & Prnt Svc	2836	0	-6.80	-193	168	2811

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1996</u> <u>Program</u>
634 Nav Pub Wrks Ctr: Utilities	0	0	-7.20	0	0	0
635 Nav Pub Wrks Ctr: Pub Wrk	10837	0	1.00	108	304	11249
637 Naval Shipyards	1	0	0.00	0	0	1
651 Airlift Svcs Trng & Ops	13	0	2.00	0	0	13
652 Airlift Svcs Med Evac	0	0	2.00	0	0	0
663 Laundry & Dry Clean	1235	0	0.00	0	331	1566
671 Communications Svc	75	0	-5.70	-4	-17	54
673 Def Finance & Acct Svc	0	0	-19.80	0	0	0
679 Cost Reimbursible Svc	0	0	2.00	0	0	0
699 Total Purchases	15219	0		-88	777	15908
701 MAC Cargo	0	0	2.00	0	0	0
702 MAC SAAM	0	0	14.70	0	0	0
703 JCS Exercises	0	0	14.70	0	0	0
711 MSC Cargo	0	0	19.50	0	0	0
721 MTMC Port Handling	0	0	7.50	0	0	0
725 MTMC Other	0	0	2.00	0	0	0
771 Commercial Transportation	1775	91	2.00	37	1074	2977
761 Other Transportation	198	12	2.00	4	-19	195
799 Total Transportation	1973	103		41	1055	3172
9XX Civ Pay Reimburs Host	1273133	365	2.00	25470	-28296	1270672
901 Foreign Nat Ind Hire	28664	1000	2.00	593	11632	41889
902 Separation Liability	120	0	2.00	2	147	269
912 Rental Pay to GSA	1591	40	2.00	33	-857	807
913 Purchased Utilities	91	7	2.00	2	2566	2666
914 Purchased Communica	1198	2	2.00	24	2031	3255

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	FY1995 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1996 Program
915 Rents non GSA	15077	97	2.00	303	-489	14988
916 Disability Comp	0	0	2.00	0	0	0
917 Postal Svcs	290	0	2.50	7	-150	147
920 Supplies & Mat	279308	334	4.50	12584	4378	296604
921 Printing & Reproduct	1573	100	2.00	33	354	2060
922 Equipt Maint Contract	57261	200	2.00	1149	12442	71052
923 Facility Maint Contract	8779	0	2.00	176	-8313	642
925 Equipt Purchases	169289	35	4.50	7620	-29762	147182
926 Overseas Purchases	1737	0	2.00	35	-571	1201
930 Other Depot Maint	50	0	2.00	1	172	223
931 Contract Consultants	0	0	2.00	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.00	0	0	0
933 Studies Analysis Eval	0	0	2.00	0	0	0
934 Engineering Tech Svc	0	0	2.00	0	0	0
937 Fuel	77	0	2.00	2	69	148
985 DoD Counter Drug	0	0	2.00	0	0	0
987 Other Intra-Govt	1853	0	2.00	37	-1321	569
988 Grants	200	0	2.00	4	437	641
989 Other Contracts	495045	2654	4.50	22396	189786	709881
998 Other Costs*	2302	0	4.50	104	2186	4592
999 Total Purchases	2337638	4834		70575	156441	2569488
9999 TOTAL	3413238	5538		78617	83359	3580752

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
LINE Direct Patient Care						
308 Travel of Persons	65910	154	2.20	587	-5491	61160
401 DFSC Fuel	457	0	1.30	6	-41	422
402 Service Fund Fuel	178	0	1.30	2	10	190
411 Army Sup & Mat	15975	0	-6.00	-959	1656	16672
412 Navy Sup & Mat	4134	0	8.60	356	542	5032
414 AF Sup & Mat	252	0	-1.20	-3	16	265
415 DLA Sup & Mat	61329	20	-2.10	-1288	9406	69467
416 GSA Sup & Mat	9428	0	2.20	207	592	10227
417 Local Proc Sup & Mat	783955	375	2.20	17255	-215707	585878
499 Total Sup & Mat	875708	395		15576	-203526	688153
502 Army Fund Equipt	673	0	-6.00	-40	68	701
503 Navy Fund Equipt	1340	3	8.60	115	-739	719
505 AF Fund Equipt	38218	0	-1.20	-459	854	38613
506 DLA Fund Equipt	3208	0	-2.10	-67	-432	2709
507 GSA Fund Equipt	7127	1	2.20	157	-795	6490
599 Total Fund Equipt	50566	4		-294	-1044	49232
602 Army Depot Cmd Maint	0	0	6.92	0	0	0
611 Naval Surface War Ctr	0	0	-7.90	0	0	0
615 Data Automat Ctr Navy	175	0	-8.90	-16	7	166
620 Fleet Aux Ships Navy	0	0	2.20	0	0	0
624 Other MSC Purchases	0	0	2.20	0	0	0
630 Naval Rsch Lab	0	0	8.70	0	0	0
631 Naval Civil Engrn Ctr	39	0	-13.50	-5	7	41
633 Naval Pub & Pmt Svc	2811	0	9.40	264	89	3164

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
634 Nav Pub Wrks Ctr: Utilities	0	0	-0.26	0	0	0
635 Nav Pub Wrks Ctr: Pub Wrk	11249	0	3.49	393	34	11676
637 Naval Shipyards	1	0	14.50	0	0	1
651 Airlift Svcs Trng & Ops	13	0	2.20	0	0	13
652 Airlift Svcs Med Evac	0	0	2.20	0	0	0
663 Laundry & Dry Clean	1566	0	0.00	0	-105	1461
671 Communications Svc	54	0	-6.30	-3	5	56
673 Def Finance & Acct Svc	0	0	11.37	0	0	0
679 Cost Reimbursible Svc	0	0	2.20	0	0	0
699 Total Purchases	15908	0		633	37	16578
701 MAC Cargo	0	0	3.00	0	0	0
702 MAC SAAM	0	0	-0.50	0	0	0
703 JCS Exercises	0	0	-0.50	0	0	0
711 MSC Cargo	0	0	11.20	0	0	0
721 MTMC Port Handling	0	0	-6.80	0	0	0
725 MTMC Other	0	0	7.80	0	0	0
771 Commercial Transportation	2977	85	2.20	67	-186	2943
761 Other Transportation	195	9	2.20	4	-30	178
799 Total Transportation	3172	94		71	-216	3121
9XX Civ Pay Reimburs Host	1270672	300	2.75	34952	-53801	1252123
901 Foreign Nat Ind Hire	41889	900	2.75	1177	-889	43077
902 Separation Liability	269	0	2.75	7	-2	274
912 Rental Pay to GSA	807	35	2.20	19	-30	831
913 Purchased Utilities	2666	6	2.20	59	15	2746
914 Purchased Communica	3255	1	2.20	72	22	3350

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
915 Rents non GSA	14988	89	2.20	332	-523	14886
916 Disability Comp	0	0	2.20	0	0	0
917 Postal Svcs	147	0	0.00	0	0	147
920 Supplies & Mat	296604	325	5.20	15440	-18649	293720
921 Printing & Reproduct	2060	95	2.20	47	-304	1898
922 Equipt Maint Contract	71052	192	2.20	1567	-3211	69600
923 Facility Maint Contract	642	0	2.20	14	4	660
925 Equipt Purchases	147182	29	5.20	7655	-44633	110233
926 Overseas Purchases	1201	0	2.20	26	-67	1160
930 Other Depot Maint	223	0	2.20	5	2	230
931 Contract Consultants	0	0	2.20	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.20	0	0	0
933 Studies Analysis Eval	0	0	2.20	0	0	0
934 Engineering Tech Svc	0	0	2.20	0	0	0
937 Fuel	148	0	2.20	3	1	152
985 DoD Counter Drug	0	0	2.20	0	0	0
987 Other Intra-Govt	569	0	2.20	13	3	585
988 Grants	641	0	2.20	14	5	660
989 Other Contracts	709881	1633	5.20	36999	-125117	623396
998 Other Costs*	4592	0	5.20	239	-490	4341
999 Total Purchases	2569488	3605		98640	-247664	2424069
9999 TOTAL	3580752	4252		115213	-457904	3242313

Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance

Detail By Sub-Activity Group: **Patient Care Support**

I. Description of Operations Financed: This Sub-Activity Group comprises nine functions which support delivery of patient care worldwide: Other Health Activities, Management Headquarters, Military Public/Occupational Health, Veterinary Services, Examining Activities, Defense Medical Programs Activity (DMPA), Military Unique Other Medical Activities, Aeromedical Evacuation System, and Armed Forces Institute of Pathology (AFIP).

II. Force Structure Summary: **Other Health Activities** includes management headquarters for Regional Lead Agents, central medical laboratories, medical service squadrons, Air Medical Department Field Procurement Offices, Health Services Data Systems Agency, Navy Healthcare Support Offices, and public affairs. **Management Headquarters** includes costs of operating HQ, U.S. Army Medical Command, Army Medical Materiel Agency, Navy Bureau of Medicine and Surgery, and the Defense Medical Facilities Office. **Military Public/Occupational Health** includes *public health* activities such as medical epidemiology and entomology, drinking water safety, monitoring hazardous waste disposal, food/facility sanitation, health promotion, community health nursing, medical intelligence, and *occupational health* activities such as assessment of workplace health hazards, employee health surveys, tracking exposure to physical, chemical, and biological stresses, development of preventive measures, epidemiological studies of occupational diseases, health hazard assessment of new materiel/weapons systems, and medical support to nuclear/biological/chemical surety programs. **Veterinary Services** supports the worldwide DoD veterinary mission and provides support to other specified federal agencies through activities such as care for government owned animals, clinical investigation support, control of zoonotic diseases, and wholesale food inspection. **Examining Activities** provides physical examinations and evaluations of medical suitability for individuals processed for accession to Active and Reserve Components through Military Entrance Processing Stations (MEPS) and DoD Medical Evaluation Review Board (DoDMERB). **Defense Medical Programs Activity (DMPA)** provides centralized DoD management of automated data processing technology to improve the effectiveness and efficiency of health care operations in the Military Departments and consolidates the planning, programming and budgeting for the Defense Health Program and military medical facility construction projects. **Military Unique Requirements - Other Medical** includes a host of activities related to the size of military population, such as physiological training units, Defense Medical Standardization Board, drug abuse detection laboratories, Military Blood Program Agency, optical repair/fabrication laboratories, USAF Armstrong Laboratory, health facilities offices, medical logistics/support offices, Medical Wartime Hospital Integration Office, Army Medical Materiel Activities, plans/operations/training, and Navy Medical Logistics Command.

**Defense Health Program Appropriation
FY 1997 Budget Estimates
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II. Force Structure Summary (continued):

Aeromedical Evacuation (AE) includes costs of the aeromedical evacuation system incurred by Joint and Armed Services Medical Regulating Offices, Aeromedical Evacuation and Tanker Airlift Control Centers, AE squadrons and detachments, and aeromedical staging facilities. **Armed Forces Institute of Pathology (AFIP)** is the chief reviewing authority on diagnosis of pathologic tissue for the Armed Services; conducts experimental, statistical and morphological investigation; operates Armed Forces Medical Examiner System and DoD DNA Registry; and administers DoD drug testing quality control/proficiency testing and Clinical Laboratory Improvement programs.

III. Financial Summary (O&M \$ in thousands):

A. Sub-Activity Group: Patient Care Support

	FY 1995 <u>Actuals</u>	FY 1996		FY 1997 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u>	
Other Health Activities	\$345,152	\$255,894	\$271,394	\$325,927
Management Headquarters	36,481	25,937	25,937	25,637
Military Public/Occupational Health	169,444	191,139	191,139	144,047
Veterinary Activities	12,692	9,850	9,850	11,713
Examining Activities	24,176	23,089	23,089	28,924
Defense Med Program Activity (DMPA)	257,003	226,332	224,102	190,077
Military Unique Other Medical Activities	147,373	96,379	99,779	97,215
Aeromedical Evacuation	80,227	82,688	82,688	81,711
Armed Forces Institute of Pathology (AFIP)	40,339	32,484	32,484	37,982
Total	\$1,112,887	\$943,792	\$960,462	\$943,233

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

III. Financial Summary (Continued--O&M \$ in thousands):

B. Reconciliation Summary: Patient Care Support

	<u>Change FY 1996/1996</u>	<u>Change FY 1996/1997</u>
Baseline Funding	\$943,792	\$992,454
Congressional Adjustments	+16,670	
Reprogrammings/Transfers	-6,665	
Price Change		+33,415
Functional Transfers		+5,152
Transfers In/Out	+17,253	
Program Changes	+21,404	-87,788
Current Estimate	\$992,454	\$943,233

C. OP-32 Line Item: See Exhibit OP-32

D. Reconciliation of Increases and Decreases: Patient Care Support

1. FY 1996 President Budget's Request	\$943,792
2. Congressional adjustments (FY 1996 President's Budget/FY 1996 Appropriated)	+16,670
Revised Economic Assumptions	-2,230
Red Cross	+14,500
Persian Gulf Syndrome	+3,400
Brown Tree Snakes	+1,000

3. FY 1996 Appropriated

\$960,462

**Defense Health Program Appropriation
FY 1997 Budget Estimates
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D. Reconciliation of Increases and Decreases: Patient Care Support (Continued)

4. Reprogrammings/Transfers		
Decreases:		
Inflation Offset for Contingencies	-6,665	
Total Reprogrammings/Transfers		-6,665
5. Transfers In/Transfers Out		
Transfers within the DHP O&M due to restructure of Program Elements.		
a. Other Health Activities transferred from Direct Patient Care.	+53,471	
b. Military Public/Occupational Health functions transferred to Direct Patient Care.	-36,218	
Total Transfers In/Transfer Out		+17,253
6. Program Increases		
a. Military Entrance and Processing Command (MEPCOM). Increased exams due to growth in accessions.	+3,261	
b. Armed Forces Institute of Pathology (AFIP) renovation.	+4,143	

**Defense Health Program Appropriation
FY 1997 Budget Estimates
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D. Reconciliation of Increases and Decreases: Patient Care Support (Continued)

c. Realignment of funding to pay Defense Finance and Accounting Service (DFAS) costs.	+14,000	
Total Program Increases		+21,404
7. FY 1996 Current Estimate		\$992,454
8. Price Growth		+33,415
9. Functional Transfers		
a. Transfer of an Alcohol Drug Abuse Prevention and Control Program (ADAPCP) counselor at Japan MEDDAC to the DHP from U.S. Army Pacific (USARPAC).	+56	
b. Transfer of two civilians to support the Theater Army Medical Management Information System (TAMMIS) Program transition to the DHP from Program Executive Officer, Standard Army Management Information Systems (PEO STAMIS).	+5,012	
c. Transfer to support the transition of the TAMMIS Program to the DHP from Army Information Systems Command.	+84	
Total Functional Transfers		+5,152

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

D. Reconciliation of Increases and Decreases: Patient Care Support (Continued)

10. Program Increases		
MEPCOM. Increased exams due to growth in accessions.	+1,671	
Total Program Increases		+1,671
11. Program Decreases		
a. One time FY96 Congressional increases not included in FY97		
Discontinuation of one time FY96 Congressional increases	-19,543	
Red Cross	-14,993	
Persian Gulf Syndrome	-3,516	
Brown Tree Snakes	-1,034	
b. Defense Medical Program Activity.		
Decrease reflects the reduced level of effort following the accelerated deployment of CHCS in FY96.	-38,489	
c. Other Health Activities, Military Public/Occupational Health, Veterinary Services, Military Unique Other Medical Activities and Aeromedical Evacuation.		
Decrease reflects the reduced level of effort associated with decreases in the population supported due to force structure downsizing of the supported population.	-13,409	

**Defense Health Program Appropriation
FY 1997 Budget Estimates
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D. Reconciliation of Increases and Decreases: Patient Care Support (Continued)

d. Military Public/Occupational Health.	-11,912
Completion of bio-environmental engineering local area network and discontinuation of chromate hazard survey and ergonomics workplace-related injury survey and abatement.	
e. Transfer of Army medical recruiting from the DHP to U.S. Army Recruiting Command (USAREC) as directed by PDM I, dated August 18, 1995.	-3,306
f. Transfer of program responsibility to Defense Legal Services Agency.	-600
g. Reduction of 3,500 flying hours due to reassessment of peacetime and wartime mission of C-9A aircraft.	-2,200
Total Program Decreases	-89,459
12. FY 1997 Budget Request	\$943,233

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**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

IV. Performance Criteria and Evaluation Summary:

	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY96-97</u>
<u>Military Public and Occupational Health</u>				
DoD workers supported	2,390,200	2,313,800	2,262,800	-51,000
Family Housing Occupants	285,687	285,650	281,206	-4,444
<u>Veterinary Activities</u>				
Veterinary laboratory procedures	201,400	215,000	215,000	0
Pounds of food inspected (millions)	9,236	9,183	9,123	-60
<u>Examining Activities</u>				
MEPS and DoDMERB Workload (thousands of medical exams)	387	408	433	25
<u>Military Unique Other Medical Activities</u>				
Spectacles/Inserts fabricated (thousands of pairs)	960	938	916	-22
<u>Aeromedical Evacuation</u>				
Air Force Flying Hours	24,348	26,478	22,978	-3,500
Army Flying Hours	3,000	3,000	3,000	0

**Defense Health Program Appropriation
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<u>V. Personnel Summary 1/</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY96/FY97</u>
<u>Active Military End Strength /1</u>				
Officer	3,038	3,173	3,238	65
Enlisted	<u>6,909</u>	<u>7,181</u>	<u>7,188</u>	<u>7</u>
Total Military	9,947	10,354	10,426	72
<u>Civilian End Strength /1</u>				
U.S. Direct Hire	7,725	6,808	6,530	-278
Foreign National Direct Hire	<u>90</u>	<u>91</u>	<u>90</u>	<u>-1</u>
Total Direct Hire	7,815	6,899	6,620	-279
Foreign National Indirect Hire	<u>457</u>	<u>405</u>	<u>403</u>	<u>-2</u>
Total Civilians	8,272	7,304	7,023	-281
<u>Active Military Workyears</u>				
Officer	3,096	3,106	3,206	100
Enlisted	<u>7,023</u>	<u>7,045</u>	<u>7,185</u>	<u>140</u>
Total Military Workyears	10,119	10,151	10,391	240
<u>Civilian Workyears</u>				
U.S. Direct Hire	7,655	7,106	6,677	-429
Foreign National Direct Hire	<u>90</u>	<u>91</u>	<u>90</u>	<u>-1</u>
Total Direct Hire	7,745	7,197	6,767	-430
Foreign National Indirect Hire	<u>422</u>	<u>395</u>	<u>396</u>	<u>1</u>
Total Civilian Workyears	8,167	7,592	7,163	-429

1/ Included to show a unified medical program. Active military personnel funding and all end strengths, military and civilian, are retained by the individual Military Departments for purposes of budget formulation and execution in accordance with the DEPSECDEF memorandum, "Strengthening the Medical Functions of the Department of Defense," dated October 1, 1991.

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

	<u>FY1995 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1996 Program</u>
LINE Patient Care Support						
308 Travel of Persons	40368	272	2.00	402	2608	43650
401 DFSC Fuel	17400	0	5.60	974	2642	21016
402 Service Fund Fuel	46	0	5.60	3	34	83
411 Army Sup & Mat	12136	0	5.30	643	-6500	6279
412 Navy Sup & Mat	7199	0	-22.50	-1620	496	6075
414 AF Sup & Mat	506	0	-16.50	-83	182	605
415 DLA Sup & Mat	7796	0	0.60	47	-1711	6132
416 GSA Sup & Mat	1402	0	2.00	28	-631	799
417 Local Proc Sup & Mat	56587	0	2.00	1132	-3516	54203
499 Total Sup & Mat	103072	0		1124	-9004	95192
502 Army Fund Equipt	2090	0	5.30	111	-1042	1159
503 Navy Fund Equipt	209	0	-22.50	-47	17	179
505 AF Fund Equipt	5072	0	-16.50	-837	-695	3540
506 DLA Fund Equipt	491	0	0.60	3	137	631
507 GSA Fund Equipt	2147	0	2.00	43	1808	3998
599 Total Fund Equipt	10009	0		-727	225	9507
602 Army Depot Cmd Maint	0	0	-23.10	0	0	0
611 Naval Surface War Ctr	0	0	3.50	0	0	0
615 Data Automat Ctr Navy	63	0	0.10	0	16	79
620 Fleet Aux Ships Navy	0	0	2.00	0	0	0
624 Other MSC Purchases	0	0	2.00	0	0	0
630 Naval Rsch Lab	0	0	1.60	0	0	0
631 Naval Civil Engrn Ctr	0	0	3.90	0	0	0
633 Naval Pub & Pmt Svc	4614	0	-6.80	-314	-346	3954

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1996</u> <u>Program</u>
634 Nav Pub Wrks Ctr: Utilities	0	0	-7.20	0	0	0
635 Nav Pub Wrks Ctr: Pub Wrk	169	0	1.00	2	44	215
637 Naval Shipyards	19	0	0.00	0	9	28
651 Airlift Svcs Trng & Ops	16433	0	2.00	329	638	17400
652 Airlift Svcs Med Evac	0	0	2.00	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Communications Svc	47	0	-5.70	-3	-11	33
673 Def Finance & Acct Svc	0	0	-19.80	0	14000	14000
679 Cost Reimbursible Svc	0	0	2.00	0	0	0
699 Total Purchases	21345	0		14	14350	35709
701 MAC Cargo	0	0	2.00	0	0	0
702 MAC SAAM	81	0	14.70	12	-93	0
703 JCS Exercises	0	0	14.70	0	0	0
711 MSC Cargo	0	0	19.50	0	0	0
721 MTMC Port Handling	0	0	7.50	0	0	0
725 MTMC Other	0	0	2.00	0	0	0
771 Commercial Transportation	853	2	2.00	17	109	981
761 Other Transportation	12	0	2.00	0	0	12
799 Total Transportation	946	2		29	16	993
9XX Civ Pay Reimburs Host	279408	82	2.00	5590	1569	286649
901 Foreign Nat Ind Hire	9695	557	2.00	205	2364	12821
902 Separation Liability	9	0	2.00	0	16	25
912 Rental Pay to GSA	2653	4	2.00	53	1132	3842
913 Purchased Utilities	3	0	2.00	0	-3	0
914 Purchased Communica	7345	0	2.00	147	1733	9225

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1996</u> <u>Program</u>
915 Rents non GSA	1667	12	2.00	34	871	2584
916 Disability Comp	0	0	2.00	0	0	0
917 Postal Svcs	359	0	2.50	9	120	488
920 Supplies & Mat	43879	51	2.00	879	-17612	27197
921 Printing & Reproduct	2978	0	2.00	60	623	3661
922 Equipt Maint Contract	22632	12	2.00	453	5310	28407
923 Facility Maint Contract	1407	0	2.00	28	-145	1290
925 Equipt Purchases	28673	2	2.00	574	-10687	18562
926 Overseas Purchases	4	0	2.00	0	1	5
930 Other Depot Maint	30806	0	2.00	616	3340	34762
931 Contract Consultants	0	0	2.00	0	0	0
932 Mgmt & Prof Spt Svc	1075	0	2.00	22	729	1826
933 Studies Analysis Eval	9131	0	2.00	183	7118	16432
934 Engineering Tech Svc	0	0	2.00	0	0	0
937 Fuel	68	0	2.00	1	98	167
985 DoD Counter Drug	0	0	2.00	0	0	0
987 Other Intra-Govt	5177	0	2.00	104	582	5863
988 Grants	441	0	2.00	9	-450	0
989 Other Contracts	455735	114	4.50	20513	-155875	320487
998 Other Costs*	34002	3	2.00	680	-1575	33110
999 Total Purchases	937147	837		30160	-160741	807403
9999 TOTAL	1112887	1111		31002	-152546	992454

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
LINE Patient Care Support						
308 Travel of Persons	43650	253	2.20	539	-64	44378
401 DFSC Fuel	21016	0	1.30	273	-1	21288
402 Service Fund Fuel	83	0	1.30	1	0	84
411 Army Sup & Mat	6279	0	-6.00	-377	641	6543
412 Navy Sup & Mat	6075	0	8.60	522	194	6791
414 AF Sup & Mat	605	0	-1.20	-7	39	637
415 DLA Sup & Mat	6132	0	-2.10	-129	67	6070
416 GSA Sup & Mat	799	0	2.20	18	6	823
417 Local Proc Sup & Mat	54203	0	2.20	1192	434	55829
499 Total Sup & Mat	95192	0		1493	1380	98065
502 Army Fund Equipt	1159	0	-6.00	-70	119	1208
503 Navy Fund Equipt	179	0	8.60	15	6	200
505 AF Fund Equipt	3540	0	-1.20	-42	230	3728
506 DLA Fund Equipt	631	0	-2.10	-13	7	625
507 GSA Fund Equipt	3998	0	2.20	88	32	4118
599 Total Fund Equipt	9507	0		-22	394	9879
602 Army Depot Cmd Maint	0	0	6.92	0	0	0
611 Naval Surface War Ctr	0	0	-7.90	0	0	0
615 Data Automat Ctr Navy	79	0	-8.90	-7	13	85
620 Fleet Aux Ships Navy	0	0	2.20	0	0	0
624 Other MSC Purchases	0	0	2.20	0	0	0
630 Naval Rsch Lab	0	0	8.70	0	0	0
631 Naval Civil Engrn Ctr	0	0	-13.50	0	0	0
633 Naval Pub & Prnt Svc	3954	0	9.40	372	16	4342

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u>	<u>Foreign</u>	<u>Price</u>	<u>Price</u>	<u>Program</u>	<u>FY1997</u>
	<u>Program</u>	<u>Currency</u>	<u>Growth</u>	<u>Growth</u>	<u>Growth</u>	<u>Program</u>
		<u>Adjust</u>	<u>Percent</u>	<u>Amount</u>		
634 Nav Pub Wrks Ctr: Utilities	0	0	-0.26	0	0	0
635 Nav Pub Wrks Ctr: Pub Wrk	215	0	3.49	8	-2	221
637 Naval Shipyards	28	0	14.50	4	-3	29
651 Airlift Svcs Trng & Ops	17400	0	2.20	383	139	17922
652 Airlift Svcs Med Evac	0	0	2.20	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Communications Svc	33	0	-6.30	-2	3	34
673 Def Finance & Acct Svc	14000	0	11.37	1592	-696	14896
679 Cost Reimbursible Svc	0	0	2.20	0	0	0
699 Total Purchases	35709	0		2350	-530	37529
701 MAC Cargo	0	0	3.00	0	0	0
702 MAC SAAM	0	0	-0.50	0	0	0
703 JCS Exercises	0	0	-0.50	0	0	0
711 MSC Cargo	0	0	11.20	0	0	0
721 MTMC Port Handling	0	0	-6.80	0	0	0
725 MTMC Other	0	0	7.80	0	0	0
771 Commercial Transportation	981	2	2.20	22	6	1011
761 Other Transportation	12	0	2.20	0	0	12
799 Total Transportation	993	2		22	6	1023
9XX Civ Pay Reimburs Host	286649	80	2.75	7885	-17269	277345
901 Foreign Nat Ind Hire	12821	335	2.75	362	-322	13196
902 Separation Liability	25	0	2.75	1	0	26
912 Rental Pay to GSA	3842	0	2.20	85	68	3995
913 Purchased Utilities	0	0	2.20	0	0	0
914 Purchased Communica	9225	0	2.20	203	60	9488

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
915 Rents non GSA	2584	10	2.20	57	12	2663
916 Disability Comp	0	0	2.20	0	0	0
917 Postal Svcs	488	0	0.00	0	5	493
920 Supplies & Mat	27197	46	2.20	599	-398	27444
921 Printing & Reproduct	3661	0	2.20	81	52	3794
922 Equipt Maint Contract	28407	9	2.20	625	3587	32628
923 Facility Maint Contract	1290	0	2.20	28	11	1329
925 Equipt Purchases	18562	2	2.20	408	-5356	13616
926 Overseas Purchases	5	0	2.20	0	0	5
930 Other Depot Maint	34762	0	2.20	765	278	35805
931 Contract Consultants	0	0	2.20	0	0	0
932 Mgmt & Prof Spt Svc	1826	0	2.20	40	-15	1851
933 Studies Analysis Eval	16432	0	2.20	362	131	16925
934 Engineering Tech Svc	0	0	2.20	0	0	0
937 Fuel	167	0	2.20	4	1	172
985 DoD Counter Drug	0	0	2.20	0	0	0
987 Other Intra-Govt	5863	0	2.20	129	47	6039
988 Grants	0	0	2.20	0	0	0
989 Other Contracts	320487	107	5.20	16671	-65823	271442
998 Other Costs*	33110	2	2.20	728	263	34103
999 Total Purchases	807403	591		29033	-84668	752359
9999 TOTAL	992454	846		33415	-83482	943233

Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance

Detail By Sub-Activity Group: Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) Program

I. Description of Operations Financed: The Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) is a worldwide health care cost-sharing program covering approximately 5.5 million eligible beneficiaries. The office of CHAMPUS, located in Aurora, Colorado, is responsible for the overall management and supervision of this program. In 1993, the Department began the transition to the managed care concept of integrating the CHAMPUS standard benefits program with the military medical treatment facilities on a regional basis as part of its managed care initiative, TRICARE. The majority of the standard CHAMPUS program requirements in this sub-activity group will gradually be absorbed into the Managed Care Support (MCS) contracts sub-activity group as the regional contracts are implemented. This sub-activity group includes the benefits required for those beneficiaries not covered by the Managed Care Support Contracts sub-activity group. It also includes the Continuing Health Education/ Capitalization of Assets programs, the Family Dental program, and the Fiscal Intermediary claims processing costs. In addition, management responsibility and funding for some of the OCHAMPUS oversight contracts are included in this sub-activity group until they become part of the regional Managed Care Support contracts. The contracts designated for transfer from the OCHAMPUS sub-activity group are the Home Health Care-Case Management program, the Mental Health Utilization Management/Quality Assurance program, and the Medical/Surgical Regional Review program.

II. Force Structure Summary: The CHAMPUS program provides for the worldwide health care of eligible active duty dependents, retired members and their dependents, and surviving dependents of deceased active duty from civilian health care facilities. CHAMPUS also includes care received by beneficiaries of the Veterans Administration, the Department of Health and Human Services, U.S. Coast Guard, and the National Oceanographic and Atmospheric Administration on a reimbursable basis. This sub-activity group funds the costs of the standard CHAMPUS benefits program requirements and claims processing costs. This program's funding profile will decline as the MCS contracts are implemented and funds are realigned from this sub-activity to the MCS contracts sub-activity.

III. Financial Summary (O&M \$ in thousands):

A. Sub-Activity Group

	FY 1995 <u>Actuals</u>	FY 1996		FY 1997	
		<u>Budget</u> <u>Request</u>	<u>Appropriation</u> <u>Estimate</u>	<u>Current</u> <u>Estimate</u>	<u>Estimate</u>
CHAMPUS Program (Standard Benefits)	2,398,800	2,414,000	2,414,000	2,284,800	1,048,700

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

B. Reconciliation Summary - Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) Program

	<u>Change FY 1996/1996</u>	<u>Change FY 1996/1997</u>
Baseline Funding	2,414,000	2,284,800
Congressional Adjustments	0	0
Price Change	0	118,806
Reprogrammings/Transfers	-15,343	0
Functional Transfers	0	0
Program Changes	-113,857	-1,354,906
Current Estimate	2,284,800	1,048,700

C. OP-32 Line Item (See Exhibit OP-32)

	(Dollars in Thousands)
1. FY 1996 President's Budget Request	\$2,414,000
2. FY 1996 Appropriated	\$2,414,000
3. Reprogrammings/Transfers	-15,343

Decreases: Inflation Offset for Contingencies

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

D. Reconciliation of Increases and Decreases (continued)

(Dollars in Thousands)

4. Program Decreases \$-113,857

a. Revised CHAMPUS Program Requirements

The Standard CHAMPUS program estimates decrease due to revised requirements for the Family Dental Program contract award, Mail Order Pharmacy program, and pipeline costs reflecting three months of benefits costs.

5. FY 1996 Current Estimate \$2,284,800

6. Price Growth \$118,806

7. Program Increases

a. Miscellaneous Programs

+29,820

Includes the premium increase for the government share of the Family Member Dental Program contract; BRAC Medicare pharmacy requirements and the Investigational Program.

b. Pipeline Costs

+195,500

Full pipeline costs are included for Regions 7/8 Managed Care Support contract and partial pipeline requirements are include for MCS regional contracts 1 and 2/5. The service start date for these regions is now August 1997, deferring \$187 million of pipeline costs to FY98.

Total Program Increases \$225,320

**Defense Health Program Appropriation
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Operation and Maintenance**

(Dollars in Thousands)

D. Reconciliation of Increases and Decreases (continued)

8. Program Decreases

a. One-time Pipeline Requirements

-265,251

Reduction of pipeline costs for MCS contracts for regions 6 and 3/4 (one-time requirements in FY96).

b. Impact of Managed Care Support (MCS) Contract Implementation

-1,314,975

The standard CHAMPUS benefits program requirements decrease as the Managed Care Support (MCS) contracts are awarded and implemented. The Fiscal Intermediary claims processing costs will also decrease as the MCS contracts absorb this management responsibility.

Total Program Decreases

\$-1,580,226

9. FY 1997 Current Request

\$1,048,700

00057

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

IV. Performance Criteria and Evaluation Summary:

	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY95/FY96</u>	<u>Change FY96/FY97</u>
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CHAMPUS Workload*

* CHAMPUS workload data is not available because of the significant impact of the phased implementation of the Managed Care Support (MCS) contracts.

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

<u>LINE</u>	<u>FY1995</u>	<u>Foreign</u>	<u>Price</u>	<u>Price</u>	<u>Program</u>	<u>FY1996</u>
	<u>Program</u>	<u>Currency</u>	<u>Growth</u>	<u>Growth</u>	<u>Growth</u>	<u>Program</u>
		<u>Adjust</u>	<u>Percent</u>	<u>Amount</u>		
308 Travel of Persons	35	0	2.00	0	9	44
401 DFSC Fuel	0	0	5.60	0	0	0
402 Service Fund Fuel	0	0	5.60	0	0	0
411 Army Sup & Mat	0	0	5.30	0	0	0
412 Navy Sup & Mat	0	0	-22.50	0	0	0
414 AF Sup & Mat	0	0	-16.50	0	0	0
415 DLA Sup & Mat	0	0	0.60	0	0	0
416 GSA Sup & Mat	0	0	2.00	0	0	0
417 Local Proc Sup & Mat	28	0	2.00	1	-15	14
499 Total Sup & Mat	28	0		1	-15	14
502 Army Fund Equipt	0	0	5.30	0	0	0
503 Navy Fund Equipt	0	0	-22.50	0	0	0
505 AF Fund Equipt	94	0	-16.50	-16	-78	0
506 DLA Fund Equipt	0	0	0.60	0	0	0
507 GSA Fund Equipt	0	0	2.00	0	0	0
599 Total Fund Equipt	94	0		-16	-78	0
602 Army Depot Cmd Maint	0	0	-23.10	0	0	0
611 Naval Surface War Ctr	0	0	3.50	0	0	0
615 Data Automat Ctr Navy	0	0	0.10	0	0	0
620 Fleet Aux Ships Navy	0	0	2.00	0	0	0
624 Other MSC Purchases	0	0	2.00	0	0	0
630 Naval Rsch Lab	0	0	1.60	0	0	0
631 Naval Civil Engrnr Ctr	0	0	3.90	0	0	0
633 Naval Pub & Print Svc	0	0	-6.80	0	0	0

CHAMPUS

00059

Exhibit OP-32

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1996</u> <u>Program</u>
634 Nav Pub Wrk Ctr: Utilities	0	0	-7.20	0	0	0
635 Nav Pub Wrk Ctr: Pub Wrks	0	0	1.00	0	0	0
637 Naval Shipyards	0	0	0.00	0	0	0
651 Airlift Svcs Trng & Ops	0	0	2.00	0	0	0
652 Airlift Svcs Med Evac	0	0	2.00	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Communications Svc	0	0	-5.70	0	0	0
673 Def Finance & Acct Svc	0	0	-19.80	0	0	0
679 Cost Reimbursible Svc	0	0	2.00	0	0	0
699 Total Purchases	0	0		0	0	0
701 MAC Cargo	0	0	2.00	0	0	0
702 MAC SAAM	0	0	14.70	0	0	0
703 JCS Exercises	0	0	14.70	0	0	0
711 MSC Cargo	0	0	19.50	0	0	0
721 MTMC Port Handling	0	0	7.50	0	0	0
725 MTMC Other	0	0	2.00	0	0	0
771 Commercial Transportation	0	0	2.00	0	0	0
761 Other Transportation	0	0	2.00	0	0	0
799 Total Transportation	0	0		0	0	0
9XX Civ Pay Reimburs Host	0	0	2.00	0	0	0
901 Foreign Nat Ind Hire	0	0	2.00	0	0	0
902 Separation Liability	0	0	2.00	0	0	0
912 Rental Pay to GSA	0	0	2.00	0	0	0
913 Purch Utilities (Non Fund)	0	0	2.00	0	0	0
914 Purchased Communica	0	0	2.00	0	0	0

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1996</u> <u>Program</u>
915 Rents non GSA	0	0	2.00	0	0	0
916 Disability Comp	0	0	2.00	0	0	0
917 Postal Svcs	0	0	2.50	0	0	0
920 Supplies & Mat	5	0	2.00	0	2	7
921 Printing & Reproduct	4	0	2.00	0	-1	3
922 Equipt Maint Contract	0	0	2.00	0	0	0
923 Facility Maint Contract	0	0	2.00	0	0	0
925 Equipt Purchases	23	0	2.00	0	-23	0
926 Overseas Purchases	0	0	2.00	0	0	0
930 Other Depot Maint	0	0	2.00	0	0	0
931 Contract Consultants	0	0	2.00	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.00	0	0	0
933 Studies Analysis Eval	0	0	2.00	0	0	0
934 Engineering Tech Svc	0	0	2.00	0	0	0
937 Fuel	0	0	2.00	0	0	0
985 DoD Counter Drug	0	0	2.00	0	0	0
987 Other Intra-Govt	0	0	2.00	0	0	0
988 Grants	0	0	2.00	0	0	0
989 Other Contracts	2398611	0	4.50	107937	-221818	2284730
998 Other Costs*	0	0	2.00	0	2	2
999 Total Purchases	2398643	0		107937	-221838	2284742
9999 TOTAL	2398800	0		107922	-221922	2284800

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
LINECHAMPUS						
308 Travel of Persons	44	0	2.20	0	-44	0
401 DFSC Fuel	0	0	1.30	0	0	0
402 Service Fund Fuel	0	0	1.30	0	0	0
411 Army Sup & Mat	0	0	-6.00	0	0	0
412 Navy Sup & Mat	0	0	8.60	0	0	0
414 AF Sup & Mat	0	0	-1.20	0	0	0
415 DLA Sup & Mat	0	0	-2.10	0	0	0
416 GSA Sup & Mat	0	0	2.20	0	0	0
417 Local Proc Sup & Mat	14	0	2.20	0	-14	0
499 Total Sup & Mat	14	0		0	-14	0
502 Army Fund Equipt	0	0	-6.00	0	0	0
503 Navy Fund Equipt	0	0	8.60	0	0	0
505 AF Fund Equipt	0	0	-1.20	0	0	0
506 DLA Fund Equipt	0	0	-2.10	0	0	0
507 GSA Fund Equipt	0	0	2.20	0	0	0
599 Total Fund Equipt	0	0		0	0	0
602 Army Depot Cmd Maint	0	0	6.92	0	0	0
611 Naval Surface War Ctr	0	0	-7.90	0	0	0
615 Data Automat Ctr Navy	0	0	-8.90	0	0	0
620 Fleet Aux Ships Navy	0	0	2.20	0	0	0
624 Other MSC Purchases	0	0	2.20	0	0	0
630 Naval Rsch Lab	0	0	8.70	0	0	0
631 Naval Civil Engrnr Ctr	0	0	-13.50	0	0	0
633 Naval Pub & Pmt Svc	0	0	9.40	0	0	0

Defense Human Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
634 Nav Pub Wrk Ctr: Utilities	0	0	-0.26	0	0	0
635 Nav Pub Wrk Ctr: Pub Wrks	0	0	3.49	0	0	0
637 Naval Shipyards	0	0	14.50	0	0	0
651 Airlift Svcs Trng & Ops	0	0	2.20	0	0	0
652 Airlift Svcs Med Evac	0	0	2.20	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Communications Svc	0	0	-6.30	0	0	0
673 Def Finance & Acct Svc	0	0	11.37	0	0	0
679 Cost Reimbursible Svc	0	0	2.20	0	0	0
699 Total Purchases	0	0		0	0	0
701 MAC Cargo	0	0	3.00	0	0	0
702 MAC SAAM	0	0	-0.50	0	0	0
703 JCS Exercises	0	0	-0.50	0	0	0
711 MSC Cargo	0	0	11.20	0	0	0
721 MTMC Port Handling	0	0	-6.80	0	0	0
725 MTMC Other	0	0	7.80	0	0	0
771 Commercial Transportation	0	0	2.20	0	0	0
761 Other Transportation	0	0	2.20	0	0	0
799 Total Transportation	0	0		0	0	0
9XX Civ Pay Reimburs Host	0	0	2.75	0	0	0
901 Foreign Nat Ind Hire	0	0	2.75	0	0	0
902 Separation Liability	0	0	2.75	0	0	0
912 Rental Pay to GSA	0	0	2.20	0	0	0
913 Purchased Utilities	0	0	2.20	0	0	0
914 Purchased Communica	0	0	2.20	0	0	0

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u>	<u>Foreign</u>	<u>Price</u>	<u>Price</u>	<u>Program</u>	<u>FY1997</u>
	<u>Program</u>	<u>Currency</u>	<u>Growth</u>	<u>Growth</u>	<u>Growth</u>	<u>Program</u>
		<u>Adjust</u>	<u>Percent</u>	<u>Amount</u>	<u>Growth</u>	
915 Rents non GSA	0	0	2.20		0	0
916 Disability Comp	0	0	2.20		0	0
917 Postal Svcs	0	0	0.00		0	0
920 Supplies & Mat	7	0	2.20		-7	0
921 Printing & Reproduct	3	0	2.20		-3	0
922 Equipt Maint Contract	0	0	2.20		0	0
923 Facility Maint Contract	0	0	2.20		0	0
925 Equipt Purchases	0	0	2.20		0	0
926 Overseas Purchases	0	0	2.20		0	0
930 Other Depot Maint	0	0	2.20		0	0
931 Contract Consultants	0	0	2.20		0	0
932 Mgmt & Prof Spt Svc	0	0	2.20		0	0
933 Studies Analysis Eval	0	0	2.20		0	0
934 Engineering Tech Svc	0	0	2.20		0	0
937 Fuel	0	0	2.20		0	0
985 DoD Counter Drug	0	0	2.20		0	0
987 Other Intra-Govt	0	0	2.20		0	0
988 Grants	0	0	2.20		0	0
989 Other Contracts	2284730	0	5.20	118806	-1354836	1048700
998 Other Costs*	2	0	2.20		-2	0
999 Total Purchases	2284742	0		118806	-1354848	1048700
9999 TOTAL	2284800	0		118806	-1354906	1048700

00004

OP-32

CHAMP

**Defense Health Program
FY 1997 Budget Estimates
Operation and Maintenance**

Detail By Sub-Activity Group: Health Care Support Contracts (Managed Care Support Contracts)

I. Description of Operations Financed: In 1993, the Department began a transition to the managed care concept of operation by adding several new components to its health care program. This managed care program, designated TRICARE, integrates the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) with the military medical treatment facilities on a regional basis. TRICARE realigns the Military Health Services System into 12 DoD health care regions under the guidance of a designated Lead Agent. The Lead Agent's role and responsibilities include coordinating the development and implementation of a regional, joint-service health plan and administering the Managed Care Support (MCS) contract for the entire region. The MCS initiative, a significant component of the TRICARE program, will transition the purchase of health care and support services from civilian sources under the basic CHAMPUS program (fee-for-service) to a fixed-price at-risk contract. Seven MCS contracts (for the 12 regions) will be procured centrally by the Office of CHAMPUS and all are currently scheduled for award by October 1996, with service to start no later than August 1997. Implementation of these health care contracts will improve access to care, ensure that DoD beneficiaries obtain the highest quality of care, enhance the military hospitals' current capability through carefully-controlled contractor support, and contain health care costs.

II. Force Structure Summary: This program funds the costs of the seven MCS contracts that will be negotiated and procured by the Office of CHAMPUS. One contract was awarded in FY94, two were awarded in FY95 and the remaining four are planned for award in FY96. The starting dates for delivery of care began in FY95 for one contract, and will continue through FY97 for the remaining six contracts. This program will provide for health care to eligible active duty dependents, retired members and their dependents, and surviving dependents of deceased active duty purchased within the 12 Health Service Regions (HSRs) under the uniform TRICARE triple option benefit plan. Under the uniform triple-option plan, eligible beneficiaries can enroll in a health maintenance organization (HMO) type plan -- TRICARE Prime, they can use the civilian preferred provider network on a case-by-case basis -- TRICARE Extra, or they can remain in the standard CHAMPUS benefit plan -- TRICARE Standard.

III. Financial Summary (O&M \$ in thousands):

A. Sub-Activity Group

	FY 1995 <u>Actuals</u>	FY 1996		FY 1997	
		Budget <u>Request</u>	Appropriation <u>Estimate</u>	Current <u>Estimate</u>	Request
Managed Care Support Contracts	932,300	1,356,100	1,356,100	1,281,900	2,439,900

**Defense Health Program
FY 1997 Budget Estimates
Operation and Maintenance**

B. Reconciliation Summary - Health Care Support Contracts (Managed Care Support Contracts)

	<u>Change FY 1996/1996</u>	<u>Change FY 1996/1997</u>
Baseline Funding	1,356,100	1,281,900
Congressional Adjustments	0	0
Price Change	0	66,659
Reprogrammings/Transfers	-8,608	0
Functional Transfers	0	0
Program Changes	-65,592	1,091,341
Current Estimate	1,281,900	2,439,900

C. OP-32 Line Item (See Exhibit OP-32)

D. Reconciliation of Increases and Decreases

	(Dollars in Thousands)
1. FY 1996 President's Budget Request	\$1,356,100
2. FY 1996 Appropriated	\$1,356,100
3. Reprogrammings/Transfers	-8,608

Decreases: Inflation Offset for Contingencies

**Defense Health Program
FY 1997 Budget Estimates
Operation and Maintenance**

D. Reconciliation of Increases and Decreases (continued)

(Dollars in Thousands)

4. Program Decreases

\$-65,952

a. Revised Managed Care Support (MCS) Contract Requirements

MCS contract requirements are revised to reflect actual contract award costs for three contracts and revised cost estimates for the remaining contracts based on updated information.

5. FY 1996 Current Estimate

\$1,281,900

6. Price Growth

\$66,659

7. Program Increases

\$1,170,316

a. MCS Contracts -- Benefits Costs

Funds the benefits costs associated with on-going and new Managed Care Support contracts in FY96. This increase to the MCS contracts is offset by a decrease to the standard CHAMPUS benefits program.

8. Program Decreases

a. One-time FY 96 MCS Contracts Costs

-78,975

Reduction includes \$56.9 million in startup costs for three Managed Care Support (MCS) contracts and approximately \$22.1 million to phase-out the existing health care services contract for Regions 9,10 and 12 in FY 96.

9. FY 1997 Current Estimate

\$2,439,900

Defense Health Program
FY 1997 Budget Estimates
Operation and Maintenance

IV. Performance Criteria and Evaluation Summary:

	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY95/FY96</u>	<u>Change FY96/FY97</u>
CHAMPUS Eligibles Covered by Managed Care Support Contracts*					
	238,025	2,723,369	5,134,476	+2,485,344	+2,411,107
Number of Contracts Implemented	1	4	7	+3	+3

* Data is based on the start date of delivered health care services (six months after contract award)

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

LINE	FY1995 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1996 Program
Managed Care Support						
308 Travel of Persons	0	0	2.00	0	0	0
401 DFSC Fuel	0	0	5.60	0	0	0
402 Service Fund Fuel	0	0	5.60	0	0	0
411 Army Sup & Mat	0	0	5.30	0	0	0
412 Navy Sup & Mat	0	0	-22.50	0	0	0
414 AF Sup & Mat	0	0	-16.50	0	0	0
415 DLA Sup & Mat	0	0	0.60	0	0	0
416 GSA Sup & Mat	0	0	2.00	0	0	0
417 Local Proc Sup & Mat	0	0	2.00	0	0	0
499 Total Sup & Mat	0	0		0	0	0
502 Army Fund Equipt	0	0	5.30	0	0	0
503 Navy Fund Equipt	0	0	-22.50	0	0	0
505 AF Fund Equipt	0	0	-16.50	0	0	0
506 DLA Fund Equipt	0	0	0.60	0	0	0
507 GSA Fund Equipt	0	0	2.00	0	0	0
599 Total Fund Equipt	0	0		0	0	0
602 Army Depot Cmd Maint	0	0	-23.10	0	0	0
611 Naval Surface War Ctr	0	0	3.50	0	0	0
615 Data Automat Ctr Navy	0	0	0.10	0	0	0
620 Fleet Aux Ships Navy	0	0	2.00	0	0	0
624 Other MSC Purchases	0	0	2.00	0	0	0
630 Naval Rsch Lab	0	0	1.60	0	0	0
631 Naval Civil Engr Ctr	0	0	3.90	0	0	0
633 Naval Pub & Prnt Svc	0	0	-6.80	0	0	0

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	FY1995 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1996 Program
634 Nav Pub Wrk Ctr: Utilities	0	0	-7.20	0	0	0
635 Nav Pub Wrk Ctr: Pub Wrks	0	0	1.00	0	0	0
637 Naval Shipyards	0	0	0.00	0	0	0
651 Airlift Svcs Trng & Ops	0	0	2.00	0	0	0
652 Airlift Svcs Med Evac	0	0	2.00	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Communications Svc	0	0	-5.70	0	0	0
673 Def Finance & Acct Svc	0	0	-19.80	0	0	0
679 Cost Reimbursible Svc	0	0	2.00	0	0	0
699 Total Purchases	0	0	0	0	0	0
701 MAC Cargo	0	0	2.00	0	0	0
702 MAC SAAM	0	0	14.70	0	0	0
703 JCS Exercises	0	0	14.70	0	0	0
711 MSC Cargo	0	0	19.50	0	0	0
721 MTMC Port Handling	0	0	7.50	0	0	0
725 MTMC Other	0	0	2.00	0	0	0
771 Commercial Transportation	0	0	2.00	0	0	0
761 Other Transportation	0	0	2.00	0	0	0
799 Total Transportation	0	0	0	0	0	0
9XX Civ Pay Reimburs Host	0	0	2.00	0	0	0
901 Foreign Nat Ind Hire	0	0	2.00	0	0	0
902 Separation Liability	0	0	2.00	0	0	0
912 Rental Pay to GSA	0	0	2.00	0	0	0
913 Purchased Utilities	0	0	2.00	0	0	0
914 Purchased Communica	0	0	2.00	0	0	0

Defense Headquarters Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	FY1995 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1996 Program
915 Rents non GSA	0	0	2.00	0	0	0
916 Disability Comp	0	0	2.00	0	0	0
917 Postal Svcs	0	0	2.50	0	0	0
920 Supplies & Mat	0	0	2.00	0	0	0
921 Printing & Reproduct	0	0	2.00	0	0	0
922 Equipt Maint Contract	0	0	2.00	0	0	0
923 Facility Maint Contract	0	0	2.00	0	0	0
925 Equipt Purchases	0	0	2.00	0	0	0
926 Overseas Purchases	0	0	2.00	0	0	0
930 Other Depot Maint	0	0	2.00	0	0	0
931 Contract Consultants	0	0	2.00	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.00	0	0	0
933 Studies Analysis Eval	0	0	2.00	0	0	0
934 Engineering Tech Svc	0	0	2.00	0	0	0
937 Fuel	0	0	2.00	0	0	0
985 DoD Counter Drug	0	0	2.00	0	0	0
987 Other Intra-Govt	0	0	2.00	0	0	0
988 Grants	0	0	2.00	0	0	0
989 Other Contracts	932300	0	4.50	41954	307646	1281900
998 Other Costs*	0	0	2.00	0	0	0
999 Total Purchases	932300	0		41954	307646	1281900
9999 TOTAL	932300	0		41954	307646	1281900

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	FY1996 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1997 Program
LINE Managed Care Support						
308 Travel of Persons	0	0	2.20	0	0	0
401 DFSC Fuel	0	0	1.30	0	0	0
402 Service Fund Fuel	0	0	1.30	0	0	0
411 Army Sup & Mat	0	0	-6.00	0	0	0
412 Navy Sup & Mat	0	0	8.60	0	0	0
414 AF Sup & Mat	0	0	-1.20	0	0	0
415 DLA Sup & Mat	0	0	-2.10	0	0	0
416 GSA Sup & Mat	0	0	2.20	0	0	0
417 Local Proc Sup & Mat	0	0	2.20	0	0	0
499 Total Sup & Mat	0	0		0	0	0
502 Army Fund Equipt	0	0	-6.00	0	0	0
503 Navy Fund Equipt	0	0	8.60	0	0	0
505 AF Fund Equipt	0	0	-1.20	0	0	0
506 DLA Fund Equipt	0	0	-2.10	0	0	0
507 GSA Fund Equipt	0	0	2.20	0	0	0
599 Total Fund Equipt	0	0		0	0	0
602 Army Depot Cmd Maint	0	0	6.92	0	0	0
611 Naval Surface War Ctr	0	0	-7.90	0	0	0
615 Data Automat Ctr Navy	0	0	-8.90	0	0	0
620 Fleet Aux Ships Navy	0	0	2.20	0	0	0
624 Other MSC Purchases	0	0	2.20	0	0	0
630 Naval Rsch Lab	0	0	8.70	0	0	0
631 Naval Civil Engrn Ctr	0	0	-13.50	0	0	0
633 Naval Pub & Prnt Svc	0	0	9.40	0	0	0

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	FY1996 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1997 Program
634 Nav Pub Wrk Ctr: Utilities	0	0	-0.26	0	0	0
635 Nav Pub Wrk Ctr: Pub Wrks	0	0	3.49	0	0	0
637 Naval Shipyards	0	0	14.50	0	0	0
651 Airlift Svcs Trng & Ops	0	0	2.20	0	0	0
652 Airlift Svcs Med Evac	0	0	2.20	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Communications Svc	0	0	-6.30	0	0	0
673 Def Finance & Acct Svc	0	0	11.37	0	0	0
679 Cost Reimbursible Svc	0	0	2.20	0	0	0
699 Total Purchases	0	0		0	0	0
701 MAC Cargo	0	0	3.00	0	0	0
702 MAC SAAM	0	0	-0.50	0	0	0
703 JCS Exercises	0	0	-0.50	0	0	0
711 MSC Cargo	0	0	11.20	0	0	0
721 MTMC Port Handling	0	0	-6.80	0	0	0
725 MTMC Other	0	0	7.80	0	0	0
771 Commercial Transportation	0	0	2.20	0	0	0
761 Other Transportation	0	0	2.20	0	0	0
799 Total Transportation	0	0		0	0	0
9XX Civ Pay Reimburs Host	0	0	2.75	0	0	0
901 Foreign Nat Ind Hire	0	0	2.75	0	0	0
902 Separation Liability	0	0	2.75	0	0	0
912 Rental Pay to GSA	0	0	2.20	0	0	0
913 Purchased Utilities	0	0	2.20	0	0	0
914 Purchased Communica	0	0	2.20	0	0	0

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	FY1996 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1997 Program
915 Rents non GSA	0	0	2.20	0	0	0
916 Disability Comp	0	0	2.20	0	0	0
917 Postal Svcs	0	0	0.00	0	0	0
920 Supplies & Mat	0	0	2.20	0	0	0
921 Printing & Reproduct	0	0	2.20	0	0	0
922 Equipt Maint Contract	0	0	2.20	0	0	0
923 Facility Maint Contract	0	0	2.20	0	0	0
925 Equipt Purchases	0	0	2.20	0	0	0
926 Overseas Purchases	0	0	2.20	0	0	0
930 Other Depot Maint	0	0	2.20	0	0	0
931 Contract Consultants	0	0	2.20	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.20	0	0	0
933 Studies Analysis Eval	0	0	2.20	0	0	0
934 Engineering Tech Svc	0	0	2.20	0	0	0
937 Fuel	0	0	2.20	0	0	0
985 DoD Counter Drug	0	0	2.20	0	0	0
987 Other Intra-Govt	0	0	2.20	0	0	0
988 Grants	0	0	2.20	0	0	0
989 Other Contracts	1281900	0	5.20	66659	1091341	2439900
998 Other Costs*	0	0	2.20	0	0	0
999 Total Purchases	1281900	0		66659	1091341	2439900
9999 TOTAL	1281900	0		66659	1091341	2439900

Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance

Detail By Sub-Activity Group: Office of Civilian Health and Medical Program of the Uniformed Services (OCHAMPUS)

I. Description of Operations Financed: The Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) is a worldwide health care cost-sharing program covering approximately 5.5 million eligible beneficiaries. The office of CHAMPUS, located in Aurora, Colorado, is responsible for the overall management and supervision of this program. This sub-activity group funds the day-to-day operations and program administration costs of this office and the cost of the oversight contracts it manages for the CHAMPUS program. The oversight responsibility for some of these contracts will transfer from OCHAMPUS to the regional Managed Care Support (MCS) contracts in FY 1997. Among the contracts designated for transfer are the Home Health Care-Case Management program, the Mental Health Utilization Management/Quality Assurance program, and the Medical/Surgical Regional Review program. These contracts are designed to reduce the growth rate of the CHAMPUS program, improve the efficiency of this health care, and provide the best possible service to the eligible beneficiaries.

II. Force Structure Summary: This program provides for the operating costs of OCHAMPUS, which is responsible for the overall management of the CHAMPUS program. The CHAMPUS program provides for the worldwide health care of eligible active duty dependents, retired members and their dependents, and surviving dependents of deceased active duty from civilian health care facilities. The CHAMPUS program also includes care received by beneficiaries of the Veterans Administration, the Department of Health and Human Services, U.S. Coast Guard, and the National Oceanographic and Atmospheric Administration on a reimbursable basis. OCHAMPUS operating costs include civilian personnel, travel, rents and utilities, printing and reproduction, communications, supplies and equipment, and various contracts (such as the National Claims Processing System and Home Health Care-Case Management).

III. Financial Summary (O&M \$ in thousands):

A. Sub-Activity Group

	FY 1995 <u>Actuals</u>	FY 1996			FY 1997 <u>Estimate</u>
		Budget <u>Request</u>	Appropriation	Current <u>Estimate</u>	
OCHAMPUS	80,120	70,000	69,603	75,373	54,141

Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance
B. Reconciliation Summary - Office of Civilian Health and Medical Program of the Uniformed Services (OCHAMPUS)

	<u>Change</u> <u>FY 1996/1996</u>	<u>Change</u> <u>FY 1996/1997</u>
Baseline Funding	70,000	75,373
Congressional Adjustments	-397	0
Price Change	0	1,709
Reprogrammings/Transfers	-555	0
Functional Transfers	0	0
Program Changes	6,325	-22,941
Current Estimate	75,373	54,141

C. OP-32 Line Item (See Exhibit OP-32)

D. Reconciliation of Increases and Decreases

(Dollars in Thousands)

1. FY 1996 President's Budget Request \$70,000
2. Congressional Adjustments (FY 1996 President's Budget/FY 1996 Appropriated)
 Revised Economic Assumptions -397
3. FY 1996 Appropriated \$69,603
4. Reprogrammings/Transfers -555

Decreases: Inflation Offset for Contingencies

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

D. Reconciliation of Increases and Decreases (continued) (Dollars in Thousands)

5. Program Increases \$6,325

a. Revised Requirements

OCHAMPUS FY96 program requirements increase based on the FY95 actual execution.

6. FY 1996 Current Estimate \$75,373

7. Price Growth \$1,709

8. Program Decreases

a. Managed Care Support Implementation

-21,059

Reduction reflects the phased transfer of three oversight contracts (Home Health Care - Case Management, Mental Health Utilization Management/Quality Assurance, and the Medical/Surgical Regional Review) from the OCHAMPUS sub-activity group to the CHAMPUS program and the Managed Care Support (MCS) Contracts as managed care is implemented for DoD. Also included are the reduced contract costs for National Claims Processing and Fiscal Intermediary Change Orders requirements as a result of the implementation of the Managed Care Support contracts.

b. Civilian Personnel

-621

Decrease reflects reduction of eleven civilian workyears.

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

D. Reconciliation of Increases and Decreases (continued)

(Dollars in Thousands)

c. OCHAMPUS Handbook and Policy Manuals

-631

Requirement to reprint the OCHAMPUS manual and handbooks occurs every two years. OCHAMPUS printing requirements return to the normal level.

d. Managed Care Support Related Travel Requirements

-470

Travel and per diem requirements to support the Source Selection Evaluation Boards/Advisory Committees associated with the Managed Care Support contracts declines as contracts are awarded and the Services take over funding responsibility in the future.

e. OCHAMPUS Miscellaneous

-160

Reduced facility maintenance requirements result as OCHAMPUS relocates to the downtown area due to base realignment and closure action at Fitzsimons Army Medical Center; plus one-time cost reduction associated with changing from commercially leased custom-designed software to government-owned software.

Total Program Decreases

\$-22,941

9. FY 1997 Current Estimate

\$54,141

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

IV. Personnel Summary: Office of Civilian Health and Medical Program of the Uniformed Services (OCHAMPUS)

<u>Active Military End Strength</u>					
Officer	8	10	10	2	0
Enlisted	0	0	0	0	0
Total Military	8	10	10	2	0
<u>Civilian End Strength</u>					
U.S. Direct Hire	219	213	203	-6	-10
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	219	213	203	-6	-10
Foreign National Indirect Hire	4	4	4	0	0
Total Civilians	223	217	207	-6	-10
<u>Active Military Workyears</u>					
Officer	7	9	10	2	1
Enlisted	0	0	0	0	0
Total Military	7	9	10	2	1
<u>Civilian Workyears</u>					
U.S. Direct Hire	218	207	196	-11	-11
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	218	207	196	-11	-11
Foreign National Indirect Hire	4	4	4	0	0
Total Civilians	222	211	200	-11	-11

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

LINE	FY1995 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1996 Program
308 Travel of Persons	2528	0	2.00	37	-1261	1304
401 DFSC Fuel	0	0	5.60	0	0	0
402 Service Fund Fuel	0	0	5.60	0	0	0
411 Army Sup & Mat	100	0	5.30	5	-16	89
412 Navy Sup & Mat	0	0	-22.50	0	0	0
414 AF Sup & Mat	0	0	-16.50	0	0	0
415 DLA Sup & Mat	0	0	0.60	0	0	0
416 GSA Sup & Mat	423	0	2.00	8	-367	64
417 Local Proc Sup & Mat	0	0	2.00	0	1	1
499 Total Sup & Mat	523	0		13	-382	154
502 Army Fund Equipt	0	0	5.30	0	0	0
503 Navy Fund Equipt	0	0	-22.50	0	0	0
505 AF Fund Equipt	0	0	-16.50	0	0	0
506 DLA Fund Equipt	0	0	0.60	0	0	0
507 GSA Fund Equipt	0	0	2.00	0	0	0
599 Total Fund Equipt	0	0		0	0	0
602 Army Depot Cmd Maint	0	0	-23.10	0	0	0
611 Naval Surface War Ctr	0	0	3.50	0	0	0
615 Data Automat Ctr Navy	0	0	0.10	0	0	0
620 Fleet Aux Ships Navy	0	0	2.00	0	0	0
624 Other MSC Purchases	0	0	2.00	0	0	0
630 Naval Rsch Lab	0	0	1.60	0	0	0
631 Naval Civil Engrn Ctr	0	0	3.90	0	0	0
633 Naval Pub & Prnt Svc	0	0	-6.80	0	0	0

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1996</u> <u>Program</u>
634 Nav Pub Wrks Ctr: Utilities	0	0	-7.20		0	0
635 Nav Pub Wrks Ctr: Pub Wrk	0	0	1.00		0	0
637 Naval Shipyards	0	0	0.00		0	0
651 Airlift Svcs Trng & Ops	0	0	2.00		0	0
652 Airlift Svcs Med Evac	0	0	2.00		0	0
663 Laundry & Dry Clean	0	0	0.00		0	0
671 Communications Svc	0	0	-5.70		0	0
673 Def Finance & Acct Svc	0	0	-19.80		0	0
679 Cost Reimbursible Svc	0	0	2.00		0	0
699 Total Purchases	0	0			0	0
701 MAC Cargo	0	0	2.00		0	0
702 MAC SAAM	0	0	14.70		0	0
703 JCS Exercises	0	0	14.70		0	0
711 MSC Cargo	0	0	19.50		0	0
721 MTMC Port Handling	0	0	7.50		0	0
725 MTMC Other	0	0	2.00		0	0
771 Commercial Transportation	0	0	2.00		0	0
761 Other Transportation	49	0	2.00		26	76
799 Total Transportation	49	0			26	76
9XX Civ Pay Reimburs Host	13698	0	2.00	274	-1732	12240
901 Foreign Nat Ind Hire	204	0	2.00	4	-1	207
902 Separation Liability	0	0	2.00	0	3	3
912 Rental Pay to GSA	12	0	2.00	0	-12	0
913 Purchased Utilities	4	0	2.00	0	0	4
914 Purchased Communica	386	0	2.00	8	-87	307

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1996 Program</u>
915 Rents non GSA	233	0	2.00	5	351	589
916 Disability Comp	0	0	2.00	0	0	0
917 Postal Svcs	122	0	2.50	3	49	174
920 Supplies & Mat	378	0	2.00	8	286	672
921 Printing & Reproduct	600	0	2.00	12	870	1482
922 Equipt Maint Contract	1121	0	2.00	22	249	1392
923 Facility Maint Contract	437	0	2.00	9	-36	410
925 Equipt Purchases	757	0	2.00	15	-195	577
926 Overseas Purchases	0	0	2.00	0	0	0
930 Other Depot Maint	0	0	2.00	0	0	0
931 Contract Consultants	0	0	2.00	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.00	0	0	0
933 Studies Analysis Eval	3762	0	2.00	75	309	4146
934 Engineering Tech Svc	0	0	2.00	0	0	0
937 Fuel	0	0	2.00	0	0	0
985 DoD Counter Drug	0	0	2.00	0	0	0
987 Other Intra-Govt	0	0	2.00	0	0	0
988 Grants	0	0	2.00	0	0	0
989 Other Contracts	55306	0	2.00	1106	-4776	51636
998 Other Costs*	0	0	2.00	0	0	0
999 Total Purchases	77020	0		1541	-4722	73839
9999 TOTAL	80120	0		1592	-6339	75373

Defense Headquarters Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

LINE	FY1996 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1997 Program
LINE OCHAMPUS	1304	0	2.20	20	-470	854
308 Travel of Persons	0	0	1.30	0	0	0
401 DFSC Fuel	0	0	1.30	0	0	0
402 Service Fund Fuel	0	0	1.30	0	0	0
411 Army Sup & Mat	89	0	-6.00	-5	-7	77
412 Navy Sup & Mat	0	0	8.60	0	0	0
414 AF Sup & Mat	0	0	-1.20	0	0	0
415 DLA Sup & Mat	0	0	-2.10	0	0	0
416 GSA Sup & Mat	64	0	2.20	1	1	66
417 Local Proc Sup & Mat	1	0	2.20	0	0	1
499 Total Sup & Mat	154	0		-4	-6	144
502 Army Fund Equipt	0	0	-6.00	0	0	0
503 Navy Fund Equipt	0	0	8.60	0	0	0
505 AF Fund Equipt	0	0	-1.20	0	0	0
506 DLA Fund Equipt	0	0	-2.10	0	0	0
507 GSA Fund Equipt	0	0	2.20	0	0	0
599 Total Fund Equipt	0	0		0	0	0
602 Army Depot Cmd Maint	0	0	6.92	0	0	0
611 Naval Surface War Ctr	0	0	-7.90	0	0	0
615 Data Automat Ctr Navy	0	0	-8.90	0	0	0
620 Fleet Aux Ships Navy	0	0	2.20	0	0	0
624 Other MSC Purchases	0	0	2.20	0	0	0
630 Naval Rsch Lab	0	0	8.70	0	0	0
631 Naval Civil Engr Ctr	0	0	-13.50	0	0	0
633 Naval Pub & Prnt Svc	0	0	9.40	0	0	0

OCHAMPUS

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Exhibit OP-32

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
634 Nav Pub Wrks Ctr: Utilities	0	0	-0.26		0	0
635 Nav Pub Wrks Ctr: Pub Wrk	0	0	3.49		0	0
637 Naval Shipyards	0	0	14.50		0	0
651 Airlift Svcs Trng & Ops	0	0	2.20		0	0
652 Airlift Svcs Med Evac	0	0	2.20		0	0
663 Laundry & Dry Clean	0	0	0.00		0	0
671 Communications Svc	0	0	-6.30		0	0
673 Def Finance & Acct Svc	0	0	11.37		0	0
679 Cost Reimbursible Svc	0	0	2.20		0	0
699 Total Purchases	0	0			0	0
701 MAC Cargo	0	0	3.00		0	0
702 MAC SAAM	0	0	-0.50		0	0
703 JCS Exercises	0	0	-0.50		0	0
711 MSC Cargo	0	0	11.20		0	0
721 MTMC Port Handling	0	0	-6.80		0	0
725 MTMC Other	0	0	7.80		0	0
771 Commercial Transportation	0	0	2.20		0	0
761 Other Transportation	76	0	2.20		2	75
799 Total Transportation	76	0			2	75
9XX Civ Pay Reimburs Host	12240	0	2.75	337	-620	11957
901 Foreign Nat Ind Hire	207	0	2.75	6	-1	212
902 Separation Liability	3	0	2.75	0	0	3
912 Rental Pay to GSA	0	0	2.20	0	0	0
913 Purchased Utilities	4	0	2.20	0	0	4
914 Purchased Communica	307	0	2.20	7	-2	312

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
915 Rents non GSA	589	0	2.20	13	-29	573
916 Disability Comp	0	0	2.20	0	0	0
917 Postal Svcs	174	0	0.00	0	0	174
920 Supplies & Mat	672	0	2.20	15	-56	631
921 Printing & Reproduct	1482	0	2.20	33	-631	884
922 Equipt Maint Contract	1392	0	2.20	31	10	1433
923 Facility Maint Contract	410	0	2.20	9	-111	308
925 Equipt Purchases	577	0	2.20	13	4	594
926 Overseas Purchases	0	0	2.20	0	0	0
930 Other Depot Maint	0	0	2.20	0	0	0
931 Contract Consultants	0	0	2.20	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.20	0	0	0
933 Studies Analysis Eval	4146	0	2.20	91	33	4270
934 Engineering Tech Svc	0	0	2.20	0	0	0
937 Fuel	0	0	2.20	0	0	0
985 DoD Counter Drug	0	0	2.20	0	0	0
987 Other Intra-Govt	0	0	2.20	0	0	0
988 Grants	0	0	2.20	0	0	0
989 Other Contracts	51636	0	2.20	1136	-21059	31713
998 Other Costs*	0	0	2.20	0	0	0
999 Total Purchases	73839	0		1691	-22462	53068
9999 TOTAL	75373	0		1709	-22941	54141

Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance

Detail By Sub-Activity Group: Care in Non-Defense Facilities

I. Description of Operations Financed: This Sub-activity Group provides for the purchase of health care services from the Uniformed Services Treatment Facilities (USTFs) for eligible DoD beneficiaries who are **enrolled** in the USTF Managed Care Plan. It also supports centrally managed allotments which fund emergency medical care and transportation for authorized beneficiaries and medically necessary non-emergency care for active duty personnel when care is not accessible or available from military medical treatment facilities. This Sub-activity Group **does not include** cost of care rendered through the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), PRIMUS/NAVCARE clinics, federal sharing agreements, and referrals for specialty care by military medical treatment facilities covered under supplemental care/cooperative care.

II. Force Structure Summary: Care in Non-Defense Facilities represents the costs of purchasing health care services for enrolled beneficiaries in the 10 civilian-operated Uniformed Services Treatment Facilities (USTFs). It also supports centrally managed allotments which fund emergency medical care and transportation for authorized beneficiaries and medically necessary non-emergency care for active duty personnel when care is not accessible or available from facilities.

III. Financial Summary (O&M \$ in thousands):

A. Sub-Activity Group

	FY 1995 <u>Actuals</u>	FY 1996		FY 1997 <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriation</u> <u>Current Estimate</u>	
USTFs	\$295,712	\$315,000	\$315,000	\$331,380
Centrally Managed Allotment for Emergency Care	<u>154,356</u>	<u>181,997</u>	<u>140,177</u>	<u>116,181</u>
Total	\$450,068	\$496,997	\$455,177	\$447,561

Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance

III. Financial Summary (Continued--O&M \$ in thousands):

B. Reconciliation Summary

Baseline Funding		
Congressional Adjustments		
Price Change		
Reprogrammings/Transfers		
Functional Transfers		
Transfers In/Out		
Program Changes		
Current Estimate		
	Change	Change
	FY 1996/1996	FY 1996/1997
	\$496,997	\$455,177
		+23,305
	-3,057	
	-38,763	
	\$455,177	-30,921
		\$447,561

C. OP-32 Line Item (See Exhibit OP-32)

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

D. Reconciliation of Increases and Decreases (O&M \$ in thousands)

1. FY 1996 President's Budget Request	\$496,997
2. FY 1996 Appropriated	\$496,997
3. Reprogrammings/Transfers	
Decreases:	
Inflation Offset for Contingencies	-3,057
4. Transfers In/Transfers Out Transfers within the DHP O&M due to restructuring of Program Elements. PRIMUS/NAVCARE and Supplemental Care transferred into Direct Patient Care.	-38,763
5. FY 1996 Current Estimate	\$455,177
6. Price Growth	23,305
7. Program Decreases	
Reduction reflects a decline in active duty population eligible for emergency medical care and implementation of initiatives to reduce costs by improving program management.	-30,921
Total Program Decreases	-30,921
8. FY 1997 Budget Request	\$447,561

Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance

IV. Performance Criteria and Evaluation Summary:

	<u>FY 1995 Actual</u>	<u>FY 1996 Estimate</u>	<u>FY 1997 Estimate</u>	<u>FY 1996/1997 Change</u>
USTF Eligible Beneficiaries (DoD only)	109,749	115,068	115,068	0
Active Duty Personnel ¹	1,705,177	1,640,932	1,610,788	-30,144

¹ Includes Active Guard/Reserve entitled to medical benefit.

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

V. Personnel Summary 1/

Active Military End Strength 1/

Officer	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY95/FY96</u>	<u>Change FY96/FY97</u>
Enlisted	0	0	0	0	0
Total Military	0	0	0	0	0

Civilian End Strength 1/

U.S. Direct Hire	0	0	0	0	0
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	0	0	0	0	0
Foreign National Indirect Hire	0	0	0	0	0
Total Civilians	0	0	0	0	0

Active Military Workyears

Officer	0	0	0	0	0
Enlisted	0	0	0	0	0
Total Military Workyears	0	0	0	0	0

Civilian Workyears

U.S. Direct Hire	0	0	0	0	0
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	0	0	0	0	0
Foreign National Indirect Hire	0	0	0	0	0
Total Civilian Workyears	0	0	0	0	0

1/ Included to show a unified medical program. Active military personnel funding and all end strengths, military and civilian, are retained by the individual Military Departments for purposes of budget formulation and execution in accordance with the DEPSECDEF memorandum, "Strengthening the Medical Functions of the Department of Defense," dated October 1, 1991.

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1996</u> <u>Program</u>
LINE Care in Non Defense	7375	0	2.20	105	134	7614
308 Travel of Persons	0	0	5.60	0	0	0
401 DFSC Fuel	0	0	5.60	0	0	0
402 Service Fund Fuel	0	0	5.30	0	0	0
411 Army Sup & Mat	0	0	-22.50	0	0	0
412 Navy Sup & Mat	0	0	-16.50	0	0	0
414 AF Sup & Mat	0	0	0.60	0	0	0
415 DLA Sup & Mat	0	0	2.00	0	0	0
416 GSA Sup & Mat	0	0	2.00	0	0	0
417 Local Proc Sup & Mat	0	0	0	0	0	0
499 Total Sup & Mat	0	0	0	0	0	0
502 Army Fund Equipt	0	0	5.30	0	0	0
503 Navy Fund Equipt	0	0	-22.50	0	0	0
505 AF Fund Equipt	0	0	-16.50	0	0	0
506 DLA Fund Equipt	0	0	0.60	0	0	0
507 GSA Fund Equipt	0	0	2.00	0	0	0
599 Total Fund Equipt	0	0	0	0	0	0
602 Army Depot Cmd Maint	0	0	-23.10	0	0	0
611 Naval Surface War Ctr	0	0	3.50	0	0	0
615 Data Automat Ctr Navy	0	0	0.10	0	0	0
620 Fleet Aux Ships Navy	0	0	2.00	0	0	0
624 Other MSC Purchases	0	0	2.00	0	0	0
630 Naval Rsch Lab	0	0	1.60	0	0	0
631 Naval Civil Engrn Ctr	0	0	3.90	0	0	0
633 Naval Pub & Print Svc	0	0	-6.80	0	0	0

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

	<u>FY1995 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1996 Program</u>
634 Nav Pub Wrks Ctr: Utilities	0	0	-7.20	0	0	0
635 Nav Pub Wrks Ctr: Pub Wrk	0	0	1.00	0	0	0
637 Naval Shipyards	0	0	0.00	0	0	0
651 Airlift Svcs Trng & Ops	0	0	2.00	0	0	0
652 Airlift Svcs Med Evac	0	0	2.00	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Communications Svc	0	0	-5.70	0	0	0
673 Def Finance & Acct Svc	0	0	-19.80	0	0	0
679 Cost Reimbursible Svc	0	0	2.00	0	0	0
699 Total Purchases	0	0		0	0	0
701 MAC Cargo	0	0	2.00	0	0	0
702 MAC SAAM	0	0	14.70	0	0	0
703 JCS Exercises	0	0	14.70	0	0	0
711 MSC Cargo	0	0	19.50	0	0	0
721 MTMC Port Handling	0	0	7.50	0	0	0
725 MTMC Other	0	0	2.00	0	0	0
771 Commercial Transportation	0	0	2.00	0	0	0
761 Other Transportation	0	0	2.00	0	0	0
799 Total Transportation	0	0		0	0	0
9XX Civ Pay Reimburs Host	0	0	2.00	0	0	0
901 Foreign Nat Ind Hire	0	0	2.00	0	0	0
902 Separation Liability	0	0	2.00	0	0	0
912 Rental Pay to GSA	0	0	2.00	0	0	0
913 Purchased Utilities	0	0	2.00	0	0	0
914 Purchased Communica	0	0	2.00	0	0	0

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1996</u> <u>Program</u>
915 Rents non GSA	0	0	2.00	0	0	0
916 Disability Comp	0	0	2.00	0	0	0
917 Postal Svcs	0	0	2.50	0	0	0
920 Supplies & Mat	2369	0	2.00	47	-555	1861
921 Printing & Reproduct	0	0	2.00	0	0	0
922 Equipt Maint Contract	0	0	2.00	0	0	0
923 Facility Maint Contract	0	0	2.00	0	0	0
925 Equipt Purchases	0	0	2.00	0	0	0
926 Overseas Purchases	0	0	2.00	0	0	0
930 Other Depot Maint	0	0	2.00	0	0	0
931 Contract Consultants	0	0	2.00	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.00	0	0	0
933 Studies Analysis Eval	0	0	2.00	0	0	0
934 Engineering Tech Svc	0	0	2.00	0	0	0
937 Fuel	0	0	2.00	0	0	0
985 DoD Counter Drug	0	0	2.00	0	0	0
987 Other Intra-Govt	0	0	2.00	0	0	0
988 Grants	0	0	2.00	0	0	0
989 Other Contracts	144612	207	4.50	6517	-20634	130702
998 Other Costs*	295712	0	4.50	13307	5981	315000
999 Total Purchases	442693	207		19871	-15208	447563
9999 TOTAL	450068	207		19976	-15074	455177

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

	<u>FY1996 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1997 Program</u>
LINE Care in Non Defense	7614	0	2.20	79	-70	7623
308 Travel of Persons						
401 DFSC Fuel	0	0	1.30	0	0	0
402 Service Fund Fuel	0	0	1.30	0	0	0
411 Army Sup & Mat	0	0	-6.00	0	0	0
412 Navy Sup & Mat	0	0	8.60	0	0	0
414 AF Sup & Mat	0	0	-1.20	0	0	0
415 DLA Sup & Mat	0	0	-2.10	0	0	0
416 GSA Sup & Mat	0	0	2.20	0	0	0
417 Local Proc Sup & Mat	0	0	2.20	0	0	0
499 Total Sup & Mat	0	0		0	0	0
502 Army Fund Equipt	0	0	-6.00	0	0	0
503 Navy Fund Equipt	0	0	8.60	0	0	0
505 AF Fund Equipt	0	0	-1.20	0	0	0
506 DLA Fund Equipt	0	0	-2.10	0	0	0
507 GSA Fund Equipt	0	0	2.20	0	0	0
599 Total Fund Equipt	0	0		0	0	0
602 Army Depot Cmd Maint	0	0	6.92	0	0	0
611 Naval Surface War Ctr	0	0	-7.90	0	0	0
615 Data Automat Ctr Navy	0	0	-8.90	0	0	0
620 Fleet Aux Ships Navy	0	0	2.20	0	0	0
624 Other MSC Purchases	0	0	2.20	0	0	0
630 Naval Rsch Lab	0	0	8.70	0	0	0
631 Naval Civil Engrn Ctr	0	0	-13.50	0	0	0
633 Naval Pub & Pmt Svc	0	0	9.40	0	0	0

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
634 Nav Pub Wrks Ctr: Utilities	0	0	-0.26	0	0	0
635 Nav Pub Wrks Ctr: Pub Wrk	0	0	3.49	0	0	0
637 Naval Shipyards	0	0	14.50	0	0	0
651 Airlift Svcs Trng & Ops	0	0	2.20	0	0	0
652 Airlift Svcs Med Evac	0	0	2.20	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Communications Svc	0	0	-6.30	0	0	0
673 Def Finance & Acct Svc	0	0	11.37	0	0	0
679 Cost Reimbursible Svc	0	0	2.20	0	0	0
699 Total Purchases	0	0		0	0	0
701 MAC Cargo	0	0	3.00	0	0	0
702 MAC SAAM	0	0	-0.50	0	0	0
703 JCS Exercises	0	0	-0.50	0	0	0
711 MSC Cargo	0	0	11.20	0	0	0
721 MTMC Port Handling	0	0	-6.80	0	0	0
725 MTMC Other	0	0	7.80	0	0	0
771 Commercial Transportation	0	0	2.20	0	0	0
761 Other Transportation	0	0	2.20	0	0	0
799 Total Transportation	0	0		0	0	0
9XX Civ Pay Reimburs Host	0	0	2.75	0	0	0
901 Foreign Nat Ind Hire	0	0	2.75	0	0	0
902 Separation Liability	0	0	2.75	0	0	0
912 Rental Pay to GSA	0	0	2.20	0	0	0
913 Purchased Utilities	0	0	2.20	0	0	0
914 Purchased Communica	0	0	2.20	0	0	0

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
915 Rents non GSA	0	0	2.20	0	0	0
916 Disability Comp	0	0	2.20	0	0	0
917 Postal Svcs	0	0	0.00	0	0	0
920 Supplies & Mat	1861	0	2.20	41	15	1917
921 Printing & Reproduct	0	0	2.20	0	0	0
922 Equipt Maint Contract	0	0	2.20	0	0	0
923 Facility Maint Contract	0	0	2.20	0	0	0
925 Equipt Purchases	0	0	2.20	0	0	0
926 Overseas Purchases	0	0	2.20	0	0	0
930 Other Depot Maint	0	0	2.20	0	0	0
931 Contract Consultants	0	0	2.20	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.20	0	0	0
933 Studies Analysis Eval	0	0	2.20	0	0	0
934 Engineering Tech Svc	0	0	2.20	0	0	0
937 Fuel	0	0	2.20	0	0	0
985 DoD Counter Drug	0	0	2.20	0	0	0
987 Other Intra-Govt	0	0	2.20	0	0	0
988 Grants	0	0	2.20	0	0	0
989 Other Contracts	130702	158	5.20	6805	-31024	106641
998 Other Costs*	315000	0	5.20	16380	0	331380
999 Total Purchases	447563	158		23226	-31009	439938
9999 TOTAL	455177	158		23305	-31079	447561

Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance

Detail By Sub-Activity Group: Education and Training

I. Description of Operations Financed: This Sub-activity Group provides support for worldwide medical education and training for active duty personnel, civilian medical personnel and students. This program includes the Health Professions Scholarship Program (HPSP), Financial Assistance Program (FAP) residencies, precommissioning professional scholarship programs, initial skills training, and specialized skills training.

II. Force Structure Summary: Education and training resources provide tuition and other educational expenses for HPSP participants and training of active duty and civilian medical personnel. The training loads in the education and training program have been reduced to reflect DoD declining medical force levels.

III. Financial Summary (\$ in Thousands):

A. Sub Activity Group

	<u>FY 1995 Actual</u>	<u>FY 1996</u>		<u>FY 1997 Current Estimate</u>
		<u>Budget Request</u>	<u>Appropriated</u>	
Defense Health Program				
Health Care Precommissioning Program	71,513	85,671	85,671	83,995
Education and Training	145,239	86,575	86,575	123,236
Total	216,752	172,246	172,246	207,231

B. Reconciliation Summary (O&M \$ in thousands)

C. Reconciliation of Increases and Decreases (O&M \$ in thousands)

- Exhibit OP-5 Part 2 Education and Training (Page 15)

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

4. Transfers In/Transfers Out

Transfer within the DHP O&M appropriation due to restructure of the program elements. President's Budget estimates of this functional area were made before any real execution data, under new program element definitions, was experienced.

29,298

5. FY 1996 Current Estimate

200,200

6. Price Growth

+9,402

7. Program Increases

0

8. Program Decreases:

a. Decrease for Specialized Skill Training

-2,371

The FY97 program represents a decrease in specialized skill training which is associated with a reduction in certified military health care professional end strengths (including Selected Reserve) over the same period.

Total Program Decreases

-2,371

9. FY 1997 Budget Request

207,231

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

IV. Performance Criteria and Evaluation Summary:

	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY 1995/1996</u>	<u>Change FY 1996/1997</u>
Health Professions Scholarship Program/ Financial Assistance Program (HPSP/FAP)	3,986	3,953	3,953	-33	0
Specialized Skill Training, Professional Development and Officer Acquisition	12,851	12,504	12,204	-347	-300

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

V. Personnel Summary:

Active Military End Strength

Officer

Enlisted

Total Military End Strength

<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY 1995/1996</u>	<u>Change FY 1996/1997</u>
7,222	6,379	6,420	-843	+41
<u>6,086</u>	<u>7,136</u>	<u>7,166</u>	<u>+1050</u>	<u>+30</u>
13,308	13,515	13,586	+207	+71

Civilian End Strength

U.S. Direct Hire

Foreign National Direct Hire

Total Direct Hire

Foreign National Indirect Hire

Total Civilian End Strength

860	646	634	-214	-12
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
860	646	634	-214	-12
<u>4</u>	<u>0</u>	<u>0</u>	<u>-4</u>	<u>0</u>
860	646	634	-214	-12

Military Workyears

Officer

Enlisted

Total

6,869	6,801	6,400	-68	-401
<u>7,321</u>	<u>6,611</u>	<u>7,151</u>	<u>-710</u>	<u>+540</u>
14,190	13,412	13,551	-778	+139

Civilian Workyears (Total)

U.S. Direct Hire

Foreign National Direct Hire

Total Direct Hire

Foreign National Indirect Hire

Total Civilian Workyears

861	628	644	-233	16
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
861	628	644	-233	16
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
861	628	644	-233	16

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Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	FY1995 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1996 Program
LINE Education & Training						
308 Travel of Persons	42184	0	2.00	345	5720	48249
401 DFSC Fuel	15	0	5.60	1	-7	9
402 Service Fund Fuel	0	0	5.60	0	0	0
411 Army Sup & Mat	177	0	5.30	9	-43	143
412 Navy Sup & Mat	463	0	-22.50	-104	-110	249
414 AF Sup & Mat	35	0	-16.50	-6	7	36
415 DLA Sup & Mat	680	0	0.60	4	-80	604
416 GSA Sup & Mat	301	0	2.00	6	-39	268
417 Local Proc Sup & Mat	7397	0	2.00	148	678	8223
499 Total Sup & Mat	9068	0		58	406	9532
502 Army Fund Equipt	3	0	5.30	0	2	5
503 Navy Fund Equipt	333	0	-22.50	-75	-143	115
505 AF Fund Equipt	1133	0	-16.50	-187	-887	59
506 DLA Fund Equipt	42	0	0.60	0	-15	27
507 GSA Fund Equipt	97	0	2.00	2	-35	64
599 Total Fund Equipt	1608	0		-260	-1078	270
602 Army Depot Cmd Maint	233	0	-23.10	-54	-39	140
611 Naval Surface War Ctr	0	0	3.50	0	0	0
615 Data Automat Ctr Navy	0	0	0.10	0	0	0
620 Fleet Aux Ships Navy	0	0	2.00	0	0	0
624 Other MSC Purchases	0	0	2.00	0	0	0
630 Naval Rsch Lab	0	0	1.60	0	0	0
631 Naval Civil Engrnr Ctr	7	0	3.90	0	-2	5
633 Naval Pub & Prnt Svc	2660	0	-6.80	-181	-286	2193

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1996 Program</u>
634 Nav Pub Wrks Ctr: Utilities	0	0	-7.20	0	0	0
635 Nav Pub Wrks Ctr: Pub Wrk	3	0	1.00	0	-1	2
637 Naval Shipyards	0	0	0.00	0	0	0
651 Airlift Svcs Trng & Ops	160	0	2.00	3	-33	130
652 Airlift Svcs Med Evac	0	0	2.00	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Communications Svc	4	0	-5.70	0	3	7
673 Def Finance & Acct Svc	0	0	-19.80	0	0	0
679 Cost Reimbursible Pur	0	0	2.00	0	0	0
699 Total Purchases	3067	0		-232	-358	2477
701 MAC Cargo (Fund)	0	0	2.00	0	0	0
702 MAC SAAM (Fund)	0	0	14.70	0	0	0
703 JCS Exercises (Fund)	0	0	14.70	0	0	0
711 MSC Cargo (Fund)	0	0	19.50	0	0	0
721 MTMC Port Handling	0	0	7.50	0	0	0
725 MTMC (Other Non Fund)	0	0	2.00	0	0	0
771 Commercial Transportation	151	0	2.00	3	92	246
761 Other Transportation	1	0	2.00	0	1	2
799 Total Transportation	152	0		3	93	248
9XX Civ Pay Reimburs Host	33343	0	2.00	667	-8997	25013
901 Foreign Nat Ind Hire	0	0	2.00	0	0	0
902 Separation Liability	0	0	2.00	0	0	0
912 Rental Pay to GSA	102	0	2.00	2	-20	84
913 Purchased Utilities	0	0	2.00	0	0	0
914 Purchased Communica	15	0	2.00	0	-10	5

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1996</u> <u>Program</u>
915 Rents non GSA	340	0	2.00	7	-32	315
916 Disability Comp	0	0	2.00	0	0	0
917 Postal Svcs	582	0	2.50	15	-413	184
920 Supplies & Mat	9490	0	2.00	190	-6297	3383
921 Printing & Reproduct	444	0	2.00	9	9	462
922 Equipt Maint Contract	503	0	2.00	10	65	578
923 Facility Maint Contract	152	0	2.00	3	-155	0
925 Equipt Purchases	5106	0	2.00	102	-3434	1774
926 Overseas Purchases	7	0	2.00	0	-2	5
930 Other Depot Maint	0	0	2.00	0	0	0
931 Contract Consultants	0	0	2.00	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.00	0	0	0
933 Studies Analysis Eval	0	0	2.00	0	0	0
934 Engineering Tech Svc	0	0	2.00	0	0	0
937 Fuel	0	0	2.00	0	0	0
985 DoD Counter Drug	0	0	2.00	0	0	0
987 Other Intra-Govt	140	0	2.00	3	-30	113
988 Grants	0	0	2.00	0	0	0
989 Other Contracts	71513	0	9.00	6436	855	78804
998 Other Costs*	38936	0	2.00	779	-11011	28704
999 Total Purchases	160673	0		8223	-29472	139424
9999 TOTAL	216752	0		8137	-24689	200200

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

	FY1996 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1997 Program
LINE Education & Training						
308 Travel of Persons	48249	0	2.20	426	382	49057
401 DFSC Fuel	9	0	1.30	0	0	9
402 Service Fund Fuel	0	0	1.30	0	0	0
411 Army Sup & Mat	143	0	-6.00	-9	15	149
412 Navy Sup & Mat	249	0	8.60	21	8	278
414 AF Sup & Mat	36	0	-1.20	0	2	38
415 DLA Sup & Mat	604	0	-2.10	-13	7	598
416 GSA Sup & Mat	268	0	2.20	6	2	276
417 Local Proc Sup & Mat	8223	0	2.20	181	66	8470
499 Total Sup & Mat	9532	0		186	100	9818
502 Army Fund Equipt	5	0	-6.00	0	0	5
503 Navy Fund Equipt	115	0	8.60	10	4	129
505 AF Fund Equipt	59	0	-1.20	-1	4	62
506 DLA Fund Equipt	27	0	-2.10	-1	1	27
507 GSA Fund Equipt	64	0	2.20	1	1	66
599 Total Fund Equipt	270	0		9	10	289
602 Army Depot Cmd Maint	140	0	6.92	10	4	154
611 Naval Surface War Ctr	0	0	-7.90	0	0	0
615 Data Automat Ctr Navy	0	0	-8.90	0	0	0
620 Fleet Aux Ships Navy	0	0	2.20	0	0	0
624 Other MSC Purchases	0	0	2.20	0	0	0
630 Naval Rsch Lab	0	0	8.70	0	0	0
631 Naval Civil Engrn Ctr	5	0	-13.50	-1	1	5
633 Naval Pub & Pmt Svc	2193	0	9.40	206	9	2408

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	FY1996 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	
634 Nav Pub Wrks Ctr: Utilities	0	0	-0.26	0	
635 Nav Pub Wrks Ctr: Pub Wrk	2	0	3.49	0	
637 Naval Shipyards	0	0	14.50	0	
651 Airlift Svcs Trng & Ops	130	0	2.20	3	
652 Airlift Svcs Med Evac	0	0	2.20	0	
663 Laundry & Dry Clean	0	0	0.00	0	
671 Communications Svc	7	0	-6.30	0	
673 Def Finance & Acct Svc	0	0	11.37	0	
679 Cost Reimbursible Pur	0	0	2.20	0	
699 Total Purchases	2477	0		218	
701 MAC Cargo	0	0	3.00	0	
702 MAC SAAM	0	0	-0.50	0	
703 JCS Exercises	0	0	-0.50	0	
711 MSC Cargo	0	0	11.20	0	
721 MTMC Port Handling	0	0	-6.80	0	
725 MTMC Other	0	0	7.80	0	
771 Commercial Transportation	246	0	2.20	5	
761 Other Transportation	2	0	2.20	0	
799 Total Transportation	248	0		5	
9XX Civ Pay Reimburs Host	25013	0	2.75	688	
901 Foreign Nat Ind Hire	0	0	2.75	0	
902 Separation Liability	0	0	2.75	0	
912 Rental Pay to GSA	84	0	2.20	2	
913 Purchased Utilities	0	0	2.20	0	
914 Purchased Communica	5	0	2.20	0	

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)**

	<u>FY1996 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1997 Program</u>
915 Rents non GSA	315	0	2.20	7	3	325
916 Disability Comp	0	0	2.20	0	0	0
917 Postal Svcs	184	0	0.00	0	0	184
920 Supplies & Mat	3383	0	2.20	74	-32	3425
921 Printing & Reproduct	462	0	2.20	10	4	476
922 Equipt Maint Contract	578	0	2.20	13	4	595
923 Facility Maint Contract	0	0	2.20	0	0	0
925 Equipt Purchases	1774	0	2.20	39	-4	1809
926 Overseas Purchases	5	0	2.20	0	0	5
930 Other Depot Maint	0	0	2.20	0	0	0
931 Contract Consultants	0	0	2.20	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.20	0	0	0
933 Studies Analysis Eval	0	0	2.20	0	0	0
934 Engineering Tech Svc	0	0	2.20	0	0	0
937 Fuel	0	0	2.20	0	0	0
985 DoD Counter Drug	0	0	2.20	0	0	0
987 Other Intra-Govt	113	0	2.20	2	1	116
988 Grants	0	0	2.20	0	0	0
989 Other Contracts	78804	0	9.00	7092	-1901	83995
998 Other Costs*	28704	0	2.20	631	-1649	27686
999 Total Purchases	139424	0		8558	-2880	145102
9999 TOTAL	200200	0		9402	-2371	207231

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance
USUHS**

Detail By Sub-Activity Group: Uniformed Services University of the Health Sciences (USUHS)

I. Narrative Description: This Sub-activity Group provides for the education of military physicians and graduate education programs leading to masters or doctoral degrees in the biological sciences. The mission is to provide high quality, career dedicated military and Public Health Service physicians.

II. Description of Operations Financed: The Uniformed Services University of the Health Sciences provides for undergraduate medical teaching operations, as well as a limited basic sciences program which is necessary to meet needed teaching requirements and provide graduate education to qualified military personnel assigned to the University for masters and doctoral programs in the biological sciences.

III. Financial Summary (O&M: \$ in Thousands):

A. Sub-Activity Group: Uniformed Services University of the Health Sciences

	FY 1995 <u>Actual</u>	FY 1996		FY 1997 Current <u>Estimate</u>
		<u>Budget Request</u>	<u>Appropriated</u>	
Defense Health Program				
USUHS	60,791	43,700	50,552	52,000
Total	60,791	43,700	50,552	52,000

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance
USUHS**

B. Reconciliation Summary (O&M \$ in thousands):

	<u>Change FY 1996/1996</u>	<u>Change FY 1996/1997</u>
Baseline Funding	43,700	58,900
Price Change	0	1,469
Program Changes	15,200	-8,369
Current Estimate	58,900	52,000

C. Reconciliation of Increases and Decreases (O&M \$ in thousands):

1. FY 1996 President's Budget Request	43,700
2. Congressional Adjustments:	
Nurse Practitioners	+2,000
Nurse Research	+5,000
Revised Economic Assumptions	-148
3. FY 1996 Appropriated	50,552
4. Reprogramming/Transfers:	
Inflation Offset for Contingencies	-191
5. Program Increase:	
DFAS	+1,539
Head & Neck	+7,000
6. FY 1996 Current Estimate	58,900

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance
USUHS**

7. Price Growth	1,469
8. Congressional Adjustments:	
Nurse Practitioners	-2,050
Nurse Research	-5,125
9. Program Decrease	
Reduced Civilian Workyears	-1,194
10. FY 1997 Budget Request	52,000

Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance
USUHS

IV. Performance Criteria and Evaluation Summary:

	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change</u> <u>FY 1995/1996</u>	<u>Change</u> <u>FY 1996/1997</u>
Medical Students					
Medical Student End Strength	655	665	652	-147	-170
Number of New Medical Students	168	156	156	-165	0
Number of New Medical Graduates	157	156	169	0	13
Cumulative Number of Medical Graduates	2,148	2,304	2,473	157	170
Other Graduate Students:					
Graduate End Strength	105	112	119	+7	+7
Number of New Graduate Students	46	50	50	+4	0
Number of New Graduates	44	32	43	-12	+11
Cumulative No. of Graduates	358	427	470	+69	+43

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance
USUHS**

V. Personnel Summary:

Active Military End Strength

Officer
Enlisted
Total Military End Strength

	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY 1995/1996</u>	<u>Change FY 1996/1997</u>
Officer	664	766	756	102	-10
Enlisted	<u>76</u>	<u>102</u>	<u>102</u>	26	0
Total Military End Strength	740	868	858	128	-10

Civilian End Strength

U.S. Direct Hire
Foreign National Direct Hire
Total Direct Hire
Foreign National Indirect Hire
Total Civilian End Strength

U.S. Direct Hire	638	651	640	13	-11
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	638	651	640	13	-11
Foreign National Indirect Hire	0	0	0	0	0
Total Civilian End Strength	638	651	640	13	-11

Military Workyears

Officer
Enlisted
Total

Officer	715	715	761	0	46
Enlisted	<u>81</u>	<u>89</u>	<u>102</u>	8	13
Total	796	804	863	8	59

Civilian Workyears (Total)

U.S. Direct Hire
Foreign National Direct Hire
Total Direct Hire
Foreign National Indirect Hire
Total Civilian Workyears

U.S. Direct Hire	573	562	530	-11	-32
Foreign National Direct Hire	0	0	0	0	0
Total Direct Hire	573	562	530	-11	-32
Foreign National Indirect Hire	0	0	0	0	0
Total Civilian Workyears	573	562	530	-11	-32

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Defense Headquarters Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

LINE USUHS	FY1995 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1996 Program
308 Travel of Persons	1815	0	2.00	15	-822	1008
401 DFSC Fuel	0	0	5.60	0	0	0
402 Service Fund Fuel	0	0	5.60	0	0	0
411 Army Sup & Mat	0	0	5.30	0	0	0
412 Navy Sup & Mat	0	0	-22.50	0	0	0
414 AF Sup & Mat	0	0	-16.50	0	0	0
415 DLA Sup & Mat	195	0	0.60	1	-100	96
416 GSA Sup & Mat	140	0	2.00	3	-99	44
417 Local Proc Sup & Mat	0	0	2.00	0	0	0
499 Total Sup & Mat	335	0		4	-199	140
502 Army Fund Equipt	0	0	5.30	0	0	0
503 Navy Fund Equipt	0	0	-22.50	0	0	0
505 AF Fund Equipt	0	0	-16.50	0	0	0
506 DLA Fund Equipt	0	0	0.60	0	0	0
507 GSA Fund Equipt	25	0	2.00	1	0	26
599 Total Fund Equipt	25	0		1	0	26
602 Army Depot Cmd Maint	0	0	-23.10	0	0	0
611 Naval Surface War Ctr	0	0	3.50	0	0	0
615 Data Automat Ctr Navy	0	0	0.10	0	0	0
620 Fleet Aux Ships Navy	0	0	2.00	0	0	0
624 Other MSC Purchases	0	0	2.00	0	0	0
630 Naval Rsch Lab	0	0	1.60	0	0	0
631 Naval Civil Engnr Ctr	0	0	3.90	0	0	0
633 Naval Pub & Pmt Svc	0	0	-6.80	0	0	0

USUHS

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Exhibit OP-32

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995</u>	<u>Foreign</u>	<u>Price</u>	<u>Price</u>	<u>Program</u>	<u>FY1996</u>
	<u>Program</u>	<u>Currency</u>	<u>Growth</u>	<u>Growth</u>	<u>Growth</u>	<u>Program</u>
		<u>Adjust</u>	<u>Percent</u>	<u>Amount</u>		
634 Nav Pub Wrks Ctr: Utilities	0	0	-7.20	0	0	0
635 Nav Pub Wrks Ctr: Pub Wrk	0	0	1.00	0	0	0
637 Naval Shipyards	0	0	0.00	0	0	0
651 Airlift Svcs Trng & Ops	0	0	2.00	0	0	0
652 Airlift Svcs Med Evac	0	0	2.00	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Communications Svc	0	0	-5.70	0	0	0
673 Def Finance & Acct Svc	0	0	-19.80	0	0	0
679 Cost Reimbursible Svc	0	0	2.00	0	0	0
699 Total Purchases	0	0		0	0	0
701 MAC Cargo	0	0	2.00	0	0	0
702 MAC SAAM	0	0	14.70	0	0	0
703 JCS Exercises	0	0	14.70	0	0	0
711 MSC Cargo	0	0	19.50	0	0	0
721 MTMC Port Handling	0	0	7.50	0	0	0
725 MTMC Other	0	0	2.00	0	0	0
771 Commercial Transportation	0	0	2.00	0	0	0
761 Other Transportation	49	0	2.00	1	0	50
799 Total Transportation	49	0		1	0	50
9XX Civ Pay Reimburs Host	32466	0	2.00	649	-411	32704
901 Foreign Nat Ind Hire	0	0	2.00	0	0	0
902 Separation Liability	0	0	2.00	0	1725	1725
912 Rental Pay to GSA	205	0	2.00	4	2	211
913 Purchased Utilities	2594	0	2.00	52	-298	2348
914 Purchased Communica	442	0	2.00	9	-280	171

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1996</u> <u>Program</u>
915 Rents non GSA	0	0	2.00	0	-50	-50
916 Disability Comp	20	0	2.00	0	159	179
917 Postal Svcs	149	0	2.50	4	-50	103
920 Supplies & Mat	1795	0	2.00	36	-1373	458
921 Printing & Reproduct	104	0	2.00	2	-7	99
922 Equipt Maint Contract	751	0	2.00	15	-492	274
923 Facility Maint Contract	1837	0	2.00	37	-382	1492
925 Equipt Purchases	1506	0	2.00	30	-850	686
926 Overseas Purchases	0	0	2.00	0	0	0
930 Other Depot Maint	0	0	2.00	0	0	0
931 Contract Consultants	0	0	2.00	0	0	0
932 Mgmt & Prof Spt Svc	3	0	2.00	0	-3	0
933 Studies Analysis Eval	0	0	2.00	0	0	0
934 Engineering Tech Svc	0	0	2.00	0	0	0
937 Fuel	0	0	2.00	0	0	0
985 DoD Counter Drug	880	0	2.00	18	-898	0
987 Other Intra-Govt	0	0	2.00	0	0	0
988 Grants	11692	0	2.00	234	-8856	3070
989 Other Contracts	4123	0	2.00	82	10001	14206
998 Other Costs*	0	0	2.00	0	0	0
999 Total Purchases	58567	0		1172	-2063	57676
9999 TOTAL	60791	0		1193	-3084	58900

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

LINE	FY1996 Program	Foreign Currency Adjust	Price Growth Percent	Price Growth Amount	Program Growth	FY1997 Program
USUHS						
308 Travel of Persons	1008	0	2.20	11	4	1023
401 DFSC Fuel	0	0	1.30	0	0	0
402 Service Fund Fuel	0	0	1.30	0	0	0
411 Army Sup & Mat	0	0	-6.00	0	0	0
412 Navy Sup & Mat	0	0	8.60	0	0	0
414 AF Sup & Mat	0	0	-1.20	0	0	0
415 DLA Sup & Mat	96	0	-2.10	-2	1	95
416 GSA Sup & Mat	44	0	2.20	1	0	45
417 Local Proc Sup & Mat	0	0	2.20	0	0	0
499 Total Sup & Mat	140	0		-1	1	140
502 Army Fund Equipt	0	0	-6.00	0	0	0
503 Navy Fund Equipt	0	0	8.60	0	0	0
505 AF Fund Equipt	0	0	-1.20	0	0	0
506 DLA Fund Equipt	0	0	-2.10	0	0	0
507 GSA Fund Equipt	26	0	2.20	1	0	27
599 Total Fund Equipt	26	0		1	0	27
602 Army Depot Cmd Maint	0	0	6.92	0	0	0
611 Naval Surface War Ctr	0	0	-7.90	0	0	0
615 Data Automat Ctr Navy	0	0	-8.90	0	0	0
620 Fleet Aux Ships Navy	0	0	2.20	0	0	0
624 Other MSC Purchases	0	0	2.20	0	0	0
630 Naval Rsch Lab	0	0	8.70	0	0	0
631 Naval Civil Engrnr Ctr	0	0	-13.50	0	0	0
633 Naval Pub & Prnt Svc	0	0	9.40	0	0	0

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
634 Nav Pub Wrks Ctr: Utilities	0	0	-0.26		0	0
635 Nav Pub Wrks Ctr: Pub Wrk	0	0	3.49		0	0
637 Naval Shipyards	0	0	14.50		0	0
651 Airlift Svcs Trng & Ops	0	0	2.20		0	0
652 Airlift Svcs Med Evac	0	0	2.20		0	0
663 Laundry & Dry Clean	0	0	0.00		0	0
671 Communications Svc	0	0	-6.30		0	0
673 Def Finance & Acct Svc	0	0	11.37		0	0
679 Cost Reimbursible Svc	0	0	2.20		0	0
699 Total Purchases	0	0			0	0
701 MAC Cargo	0	0	3.00		0	0
702 MAC SAAM	0	0	-0.50		0	0
703 JCS Exercises	0	0	-0.50		0	0
711 MSC Cargo	0	0	11.20		0	0
721 MTMC Port Handling	0	0	-6.80		0	0
725 MTMC Other	0	0	7.80		0	0
771 Commercial Transportation	0	0	2.20		0	0
761 Other Transportation	50	0	2.20		1	52
799 Total Transportation	50	0			1	52
9XX Civ Pay Reimburs Host	32704	0	2.75	899	-1847	31756
901 Foreign Nat Ind Hire	0	0	2.75	0	0	0
902 Separation Liability	1725	0	2.75	47	1189	2961
912 Rental Pay to GSA	211	0	2.20	5	1	217
913 Purchased Utilities	2348	0	2.20	52	18	2418
914 Purchased Communica	171	0	2.20	4	1	176

USUHS

00119

Exhibit OP-32

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
915 Rents non GSA	-50	0	2.20	-1	-1	-52
916 Disability Comp	179	0	2.20	4	-83	100
917 Postal Svcs	103	0	0.00	0	0	103
920 Supplies & Mat	458	0	2.20	10	4	472
921 Printing & Reproduct	99	0	2.20	2	1	102
922 Equipt Maint Contract	274	0	2.20	6	2	282
923 Facility Maint Contract	1492	0	2.20	33	12	1537
925 Equipt Purchases	686	0	2.20	15	6	707
926 Overseas Purchases	0	0	2.20	0	0	0
930 Other Depot Maint	0	0	2.20	0	0	0
931 Contract Consultants	0	0	2.20	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.20	0	0	0
933 Studies Analysis Eval	0	0	2.20	0	0	0
934 Engineering Tech Svc	0	0	2.20	0	0	0
937 Fuel	0	0	2.20	0	0	0
985 DoD Counter Drug	0	0	2.20	0	0	0
987 Other Intra-Govt	0	0	2.20	0	0	0
988 Grants	3070	0	2.20	68	-67	3071
989 Other Contracts	14206	0	2.20	313	-7611	6908
998 Other Costs*	0	0	2.20	0	0	0
999 Total Purchases	57676	0		1457	-8375	50758
9999 TOTAL	58900	0		1469	-8369	52000

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

Sub-activity Group: Base Operations Support

I. Description of Operations Financed: Base Operations (BASOPS) refers to the resources dedicated to the operation and maintenance of Defense Health Program (DHP) facilities. The DHP's BASOPS provides for facilities and services at military medical activities supporting active duty combat forces, reserve and guard components, training, military dependents, eligible retirees, and family members. The program consists of seven components:

Environmental Compliance - costs required to comply with environmental laws, regulations, criteria, and standards. This applies to manpower, training, travel, and supplies.

Minor Construction - all construction costs less than the statutory maximum amount for minor military construction projects as established by section 2805 of Title 10 U.S.C. in support of medical facilities and other installations with a primary mission of health care.

Maintenance and Repair - costs required to execute maintenance and repair of utilities, buildings, other facilities, pavements, land, and grounds. This includes, but is not limited to, such things as repair of electrical circuitry, heating and air conditioning, water piping, and routine maintenance work such as caulking, painting, etc. in medical facilities and other installations with a primary mission of health care.

Visual Information Systems - costs required to provide manpower, travel, contractual service, procurement of supplies and materials, expense equipment, necessary facilities and the associated costs specifically identifiable to visual information productions, services, and support.

Base Communications - costs required to provide base communication resources to DHP medical activities. This includes non-tactical, non-DCS base communications facilities and equipment systems that provide local communications worldwide to installations and activities.

Base Operation Support - costs required to provide comptroller services, ADP services, information activities, legal activities, civilian personnel administration, military personnel administration, printing and reproduction, installation safety, management analysis/engineering services, retail supply operations, supply activities, procurement operations, storage activities, transportation activities, physical security and police activities, laundry and dry cleaning, food services, and moral, welfare and recreation activities.

Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance

Real Property Services - costs include purchased utilities, air conditioning and refrigeration, utility fuels, fire protection, crash rescue, snow and ice removal, entomological services, elevator maintenance/inspections, custodial services, refuse collection and disposal, sewer and waste systems, rental of real property, facility engineering and public works management, other installation engineering services and other annual service requirements performed in-house or by contract.

II. Force Structure Summary:

	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
Hospitals / Medical Centers	122	120	116
Medical Clinics	505	511	513

III. Financial Summary (\$ In Thousands):

A. Sub-Activity Group: Base Operations Support

	<u>FY 1995</u>	<u>Budget Request</u>	<u>FY 1996 Appropriated</u>	<u>Current Estimate</u>	<u>FY 1997 Budget Request</u>
Environmental Compliance	27,206	17,067	17,067	27,892	23,246
Minor Construction	82,405	36,870	36,870	55,271	39,620
Maintenance and Repair	311,012	317,210	317,210	301,010	292,742
Visual Information Systems	7,796	11,819	11,819	9,460	9,605
Base Communications	43,231	40,460	40,460	44,478	46,206
Base Operations Support	287,323	260,006	260,006	260,006	311,110
Real Property Services	<u>201,233</u>	<u>230,573</u>	<u>230,573</u>	<u>212,830</u>	<u>200,680</u>
Total	960,206	914,005	914,005	910,947	923,209

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

III. Financial Summary (\$ In Thousands) Continued:

B. Reconciliation Summary

Baseline Funding	Change FY 1996/1996	Change FY 1996/1997
Congressional Adjustments	914,005	910,947
Price Change	0	0
Reprogrammings/Transfers	0	21,430
Transfers In/Out	-6,117	0
Functional Transfers	0	0
Program Changes	0	58,443
Current Estimate	<u>3,059</u>	<u>-67,611</u>
	910,947	923,209

C. Reconciliation of Increases and Decreases: Base Operations Support

1. FY 1996 President's Budget Request	914,005
2. FY 1996 Appropriated	914,005
3. Reprogrammings/Transfers	
Decreases:	
Inflation Offset for Contingencies	-6,117

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

C. Reconciliation of Increases and Decreases: Base Operations Support (continued)

4. Program Increases (FY 1996 President's Budget/ FY 1996 Current Estimate)

a. Environmental Compliance +13,942

Reflects the phased cost of the removal of Underground Storage Tanks and other projects necessary to comply with Environmental Protection Agency (EPA) regulations.

b. Maintenance of Real Property +2,201

Reflects an increase from the President's Budget to accommodate a minimum essential level of real property support based on DHP facility Plant Replacement Value.

c. Base Communications +5,018

Reflects the increase in communications cost estimates from new facility occupancies.

Total Program Increases: +21,161

5. Program Decreases (FY 1996 President's Budget/FY 1996 Current Estimate)

a. Real Property Services -15,743

Reflects the reduced level of effort associated with decreases in population supported and related facility infrastructure due to downsizing.

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

C. Reconciliation of Increases and Decreases: Base Operations Support (continued)

b. Visual Information Systems	-2,359
Decrease represents revised estimates based on FY95 program execution.	
Total Program Decreases:	-18,102
6. FY 1996 Current Estimate:	910,947
7. Price Growth	+21,430
8. Functional Program Transfers	+58,443
a. Transfers, corrects, and completes realignment of BASOPS resources started in FY 92 PBD 742. This corrects original PBD transfer to reflect actual support costs that will be reimbursable to the host installation.	-16,557
b. Baseline transfer to DHP from Operation and Maintenance, Army. In the future, the DHP will pay for postal services in Korea.	+6
c. Represents the value of Service Operation and Maintenance accounts transferred to DHP for payment to DFAS for finance and accounting services.	+74,994
1.) Army	+24,948
2.) Navy	+27,800
3.) Air Force	+22,246

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

C. Reconciliation of Increases and Decreases: Base Operations Support (continued)

9. Program Increases: +680

Base Communications

Reflects increased communications costs based on beneficial occupancies of new facilities and increased information technology communications requirements.

10. Program Decreases:

a. Base Realignment and Closure.

-10,255

Reflects anticipated personnel and infrastructure savings as a result of the closure of the Naval Hospital, Oakland. This facility ceases patient care in April 1996 and transitions to a caretaker status in October 1996.

1.) Environmental Compliance

-285

2.) Maintenance & Repair

-2,862

3.) Base Communications

-751

4.) Base Operations Support

-3,496

5.) Real Property Services

-2,861

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

C. Reconciliation of Increases and Decreases: Base Operations Support (continued)

b. Environmental Compliance -5,302

One-time offset for incinerator upgrades during FY 1996.

c. Visual Information Systems -78

Reduction reflects anticipated requirements for FY 1997

d. Maintenance of Real Property -18,539

Reflects the Real Property Maintenance (Maintenance of Real Property and Minor Construction) reduction realigning our investment goals from a level of 3.0 percent of our plant replacement value to 2.4 percent.

e. Minor Construction -16,954

Reflects the Real Property Maintenance (Maintenance of Real Property and Minor Construction) reduction realigning our investment goals from a level of 3.0 percent of our plant replacement value to 2.4 percent.

f. Real Property Services -17,163

Reflects reduced requirements resulting from Host Nation Adjustments and the reduced level of effort associated with decreases in population supported and related facility infrastructure due to downsizing.

Total Program Decreases

-68,291

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

C. Reconciliation of Increases and Decreases: Base Operations Support (continued)

11. FY 1997 Current Estimate

923,209

**Defense Health Program Appropriation
FY 1997 Budget Estimates
Operation and Maintenance**

IV. Personnel Summary: Base Operations Support

	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>Change FY95/FY96</u>	<u>Change FY96/FY97</u>
<u>Active Military End Strength/1</u>					
Officer	818	775	774	-43	-1
Enlisted	2,443	2,391	2,397	-52	6
Total Military End Strength	3,261	3,166	3,171	-95	5
<u>Civilian End Strength/1</u>					
U.S. Direct Hire	3,536	3,228	3,142	-308	-86
Foreign National Direct Hire	55	52	52	-3	0
Total Direct Hire	3,591	3,280	3,194	-311	-86
Foreign National Indirect Hire	129	99	99	-30	0
Total Civilian End Strength	3,720	3,379	3,293	-341	-86
<u>Military Workyears</u>					
Officer	815	797	775	-18	-22
Enlisted	2,447	2,417	2,394	-30	-23
Total Military Workyears	3,262	3,214	3,169	-48	-45
<u>Civilian Workyears</u>					
U.S. Direct Hire	3,377	3,218	3,194	-159	-24
Foreign National Direct Hire	54	52	52	-2	0
Total Direct Hire	3,431	3,270	3,246	-161	-24
Foreign National Indirect Hire	132	99	99	-33	0
Total Civilian Workyears	3,563	3,369	3,345	-194	-24

1/ Included to show a unified medical program. Active military personnel funding and all end strengths, military and civilian, are retained by the individual Military Departments for purposes of budget formulation and execution in accordance with the DEPSECDEF memorandum, "Strengthening the Medical Functions of the Department of Defense," dated October 1, 1991.

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1996</u> <u>Program</u>
LINE Base Ops/Comm						
308 Travel of Persons	6641	0	2.00	84	-2574	4151
401 DFSC Fuel	2653	0	5.60	149	1465	4267
402 Service Fund Fuel	715	0	5.60	40	674	1429
411 Army Sup & Mat	691	0	5.30	37	-136	592
412 Navy Sup & Mat	2791	0	-22.50	-628	-276	1887
414 AF Sup & Mat	8	0	-16.50	-1	-7	0
415 DLA Sup & Mat	1140	0	0.60	7	-237	910
416 GSA Sup & Mat	4978	0	2.00	100	-4672	406
417 Local Proc Sup & Mat	3613	0	2.00	72	1157	4842
499 Total Sup & Mat	16589	0		-224	-2032	14333
502 Army Fund Equipt	659	0	5.30	35	-668	26
503 Navy Fund Equipt	481	0	-22.50	-108	-227	146
505 AF Fund Equipt	398	0	-16.50	-66	-285	47
506 DLA Fund Equipt	262	0	0.60	2	-200	64
507 GSA Fund Equipt	519	0	2.00	10	-310	219
599 Total Fund Equipt	2319	0		-127	-1690	502
602 Army Depot Cmd Maint	0	0	-23.10	0	0	0
611 Naval Surface War Ctr	0	0	3.50	0	0	0
615 Data Automat Ctr Navy	0	0	0.10	0	0	0
620 Fleet Aux Ships Navy	0	0	2.00	0	0	0
624 Other MSC Purchases	0	0	2.00	0	0	0
630 Naval Rsch Lab	0	0	1.60	0	0	0
631 Naval Civil Engrnr Ctr	52	0	3.90	2	0	54
633 Naval Pub & Prnt Svc	2778	0	-6.80	-189	4885	7474

Defense Headquarters Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1996</u> <u>Program</u>
634 Nav Pub Wrks: Utilities	48824	0	-7.20	-3515	-25788	19521
635 Nav Pub Wrks: Pub Wrks	68172	0	1.00	682	6820	75674
637 Naval Shipyards	825	0	0.00	0	135	960
651 Airlift Svcs Trng & Ops	0	0	2.00	0	0	0
652 Airlift Svcs Med Evac	0	0	2.00	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Communications Svc	6754	0	-5.70	-385	-832	5537
673 Def Finance & Acct Svc	32510	0	-19.80	-6437	-26071	2
679 Cost Reimbursible Svc	25	0	2.00	1	0	26
699 Total Purchases	159940	0		-9841	-40851	109248
701 MAC Cargo	0	0	2.00	0	0	0
702 MAC SAAM	0	0	14.70	0	0	0
703 JCS Exercises	0	0	14.70	0	0	0
711 MSC Cargo	3	0	19.50	1	9	13
721 MTMC Port Handling	0	0	7.50	0	0	0
725 MTMC Other	0	0	2.00	0	0	0
771 Commercial Transportation	1841	0	2.00	37	-62	1816
761 Other Transportation	1252	0	2.00	25	-324	953
799 Total Transportation	3096	0		63	-377	2782
9XX Civ Pay Reimburs Host	132869	0	2.00	2657	-5285	130241
901 Foreign Nat Ind Hire	3545	0	2.00	71	-403	3213
902 Separation Liability	4713	0	2.00	94	5093	9900
912 Rental Pay to GSA	3149	0	2.00	63	218	3430
913 Purchased Utilities	54519	0	2.00	1090	20420	76029
914 Purchased Communica	25294	0	2.00	506	1119	26919

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1995 Program</u>	<u>Foreign Currency Adjust</u>	<u>Price Growth Percent</u>	<u>Price Growth Amount</u>	<u>Program Growth</u>	<u>FY1996 Program</u>
915 Rents non GSA	3242	0	2.00	65	243	3550
916 Disability Comp	5163	0	2.00	103	0	5266
917 Postal Svc	1955	0	2.50	49	-555	1449
920 Supplies & Mat	11078	0	2.00	222	-3645	7655
921 Printing & Reproduct	518	0	2.00	10	38	566
922 Equipt Maint Contract	4445	0	2.00	89	97	4631
923 Facility Maint Contract	160091	35	2.00	3203	-16756	146573
925 Equipt Purchases	6982	0	2.00	140	-2964	4158
926 Overseas Purchases	1714	0	2.00	34	773	2521
930 Other Depot Maint	77	0	2.00	2	65	144
931 Contract Consultants	0	0	2.00	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.00	0	0	0
933 Studies Analysis Eval	0	0	2.00	0	0	0
934 Engineering Tech Svc	0	0	2.00	0	0	0
937 Fuel	700	0	2.00	14	-312	402
985 DoD Counter Drug	0	0	2.00	0	0	0
987 Other Intra-Govt	4265	0	2.00	85	-74	4276
988 Grants	1	0	2.00	0	-1	0
989 Other Contracts	345577	9	2.00	6912	-5085	347413
998 Other Costs*	1724	0	2.00	34	-163	1595
999 Total Purchases	771621	44		15443	-7177	779931
9999 TOTAL	960206	44		5398	-54701	910947

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

<u>LINE</u>	<u>FY1996</u>	<u>Foreign</u>	<u>Price</u>	<u>Price</u>	<u>Program</u>	<u>FY1997</u>
<u>Base Ops/Comm</u>	<u>Program</u>	<u>Currency</u>	<u>Growth</u>	<u>Growth</u>	<u>Growth</u>	<u>Program</u>
		<u>Adjust</u>	<u>Percent</u>	<u>Amount</u>		
308 Travel of Persons	4151	0	2.20	66	24	4241
401 DFSC Fuel	4267	0	1.30	55	1	4323
402 Service Fund Fuel	1429	0	1.30	19	-117	1331
411 Army Sup & Mat	592	0	-6.00	-36	62	618
412 Navy Sup & Mat	1887	0	8.60	162	61	2110
414 AF Sup & Mat	0	0	-1.20	0	0	0
415 DLA Sup & Mat	910	0	-2.10	-19	10	901
416 GSA Sup & Mat	406	0	2.20	9	3	418
417 Local Proc Sup & Mat	4842	0	2.20	107	38	4987
499 Total Sup & Mat	14333	0		297	58	14688
502 Army Fund Equipt	26	0	-6.00	-2	3	27
503 Navy Fund Equipt	146	0	8.60	13	4	163
505 AF Fund Equipt	47	0	-1.20	-1	3	49
506 DLA Fund Equipt	64	0	-2.10	-1	0	63
507 GSA Fund Equipt	219	0	2.20	5	2	226
599 Total Fund Equipt	502	0		14	12	528
602 Army Depot Cmd Maint	0	0	6.92	0	0	0
611 Naval Surface War Ctr	0	0	-7.90	0	0	0
615 Data Automat Ctr Navy	0	0	-8.90	0	0	0
620 Fleet Aux Ships Navy	0	0	2.20	0	0	0
624 Other MSC Purchases	0	0	2.20	0	0	0
630 Naval Rsch Lab	0	0	8.70	0	0	0
631 Naval Civil Engr Ctr	54	0	-13.50	-7	9	56
633 Naval Pub & Prnt Svc	7474	0	9.40	703	30	8207

Base Ops

00133

Exhibit OP-32

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
634 Nav Pub Wrks: Utilities	19521	0	-0.26	-51	-1105	18365
635 Nav Pub Wrks: Pub Wrks	75674	0	3.49	2641	9009	87324
637 Naval Shipyards	960	0	14.50	139	-92	1007
651 Airlift Svcs Trng & Ops	0	0	2.20	0	0	0
652 Airlift Svcs Med Evac	0	0	2.20	0	0	0
663 Laundry & Dry Clean	0	0	0.00	0	0	0
671 Communications Svc	5537	0	-6.30	-349	515	5703
673 Def Finance & Acct Svc	2	0	11.37	0	0	2
679 Cost Reimbursible Svc	26	0	2.20	1	0	27
699 Total Purchases	109248	0		3077	8366	120691
701 MAC Cargo	0	0	3.00	0	0	0
702 MAC SAAM	0	0	-0.50	0	0	0
703 JCS Exercises	0	0	-0.50	0	0	0
711 MSC Cargo	13	0	11.20	1	1	15
721 MTMC Port Handling	0	0	-6.80	0	0	0
725 MTMC Other	0	0	7.80	0	0	0
771 Commercial Transportation	1816	0	2.20	40	15	1871
761 Other Transportation	953	0	2.20	21	-226	748
799 Total Transportation	2782	0		62	-210	2634
9XX Civ Pay Reimburs Host	130241	0	2.75	3582	-786	133037
901 Foreign Nat Ind Hire	3213	0	2.75	88	-2	3299
902 Separation Liability	9900	0	2.75	272	-129	10043
912 Rental Pay to GSA	3430	0	2.20	75	27	3532
913 Purchased Utilities	76029	0	2.20	1674	1368	79071
914 Purchased Communica	26919	0	2.20	592	-855	26656

Defense Health Program Appropriation
FY 1997 Budget Estimates
Summary of Price and Program Changes
(Dollars in Thousands)

	<u>FY1996</u> <u>Program</u>	<u>Foreign</u> <u>Currency</u> <u>Adjust</u>	<u>Price</u> <u>Growth</u> <u>Percent</u>	<u>Price</u> <u>Growth</u> <u>Amount</u>	<u>Program</u> <u>Growth</u>	<u>FY1997</u> <u>Program</u>
915 Rents non GSA	3550	0	2.20	78	-284	3344
916 Disability Comp	5266	0	2.20	116	42	5424
917 Postal Svcs	1449	0	0.00	0	-100	1349
920 Supplies & Mat	7655	0	2.20	168	62	7885
921 Printing & Reproduct	566	0	2.20	12	5	583
922 Equipt Maint Contract	4631	0	2.20	102	37	4770
923 Facility Maint Contract	146573	35	2.20	3225	-60968	88865
925 Equipt Purchases	4158	0	2.20	91	33	4282
926 Overseas Purchases	2521	0	2.20	55	20	2596
930 Other Depot Maint	144	0	2.20	3	1	148
931 Contract Consultants	0	0	2.20	0	0	0
932 Mgmt & Prof Spt Svc	0	0	2.20	0	0	0
933 Studies Analysis Eval	0	0	2.20	0	0	0
934 Engineering Tech Svc	0	0	2.20	0	0	0
937 Fuel	402	0	2.20	9	-5	406
985 DoD Counter Drug	0	0	2.20	0	0	0
987 Other Intra-Govt	4276	0	2.20	94	34	4404
988 Grants	0	0	2.20	0	0	0
989 Other Contracts	347413	9	2.20	7643	44025	399090
998 Other Costs*	1595	0	2.20	35	13	1643
999 Total Purchases	779931	44		17914	-17462	780427
9999 TOTAL	910947	44		21430	-9212	923209